TIL ENVIRO LIMITED
達力環保有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1790)

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

FINANCIAL HIGHLIGHTS

- Revenue for the six months ended 30 June 2026 was approximately HK$110.2 million, representing an increase of approximately HK$5.0 million or approximately 4.8%, as compared to HK$105.2 million in the corresponding period of last year.

- Gross profit for the six months ended 30 June 2026 was approximately HK$81.4 million, representing an increase of approximately HK$1.4 million or approximately 1.8%, as compared to HK$80.0 million in the corresponding period of last year.

- Profit for the six months ended 30 June 2026 was approximately HK$50.9 million, representing an increase of approximately HK$0.3 million or approximately 0.6%, as compared to HK$50.6 million in the corresponding period of last year.

The board (the "**Board**") of directors (the "**Directors**" and each a "**Director**") of TIL Enviro Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, "**we**", "**us**", "**our**" or the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**") with the comparative figures for the corresponding period of last year, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2026

	Note	Six months ended 30 June **2026** **(Unaudited)** ***HK$'000***	2025 (Unaudited) *HK$'000*
Revenue			
— Wastewater treatment operation services		**53,222**	49,100
— Finance income from service concession arrangement		**56,931**	56,136
	3	**110,153**	105,236
Cost of sales		**(28,773)**	(25,264)
Gross profit		**81,380**	79,972
Other income	*4*	**853**	1,193
Other losses, net		**(3,799)**	(1,742)
General and administrative expenses		**(6,599)**	(5,953)
Operating profit		**71,835**	73,470
Finance costs		**(10,366)**	(11,543)
Profit before income tax		**61,469**	61,927
Income tax expense	*5*	**(10,562)**	(11,369)
Profit for the period		**50,907**	50,558
Profit for the period attributable to:			
Owners of the Company		**50,907**	50,558
Earnings per share for profit attributable to owners of the Company			
Basic and diluted *(expressed in HK$ per share)*	*6*	**0.05**	0.05

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Profit for the period	**50,907**	50,558
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Currency translation differences	**61,382**	42,098
Total comprehensive income for the period	**112,289**	92,656
Total comprehensive income attributable to:		
Owners of the Company	**112,289**	92,656

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	**As at 30 June 2026 (Unaudited)** *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**2,957**	3,145
Right-of-use-assets		**372**	634
Prepayment and receivables under service concession arrangement	*8*	**1,431,947**	1,389,459
Intangible assets		**2,412**	2,395
Restricted bank balances		**4,615**	4,436
		1,442,303	1,400,069
Current assets			
Inventories		**1,683**	1,359
Trade and other receivables	*9*	**519,049**	499,995
Prepayment and receivables under service concession arrangement	*8*	**268,658**	253,521
Cash and cash equivalents		**51,501**	44,665
		840,891	799,540
Total assets		**2,283,194**	2,199,609
EQUITY			
Capital and reserves			
Share capital		**10,000**	10,000
Reserves		**661,874**	600,492
Retained earnings		**930,293**	879,386
Total equity		**1,602,167**	1,489,878

	Note	As at 30 June 2026 (Unaudited) HK$'000	As at 31 December 2025 (Audited) HK$'000
LIABILITIES			
Non-current liabilities			
Amount due to a related company		**5,703**	5,565
Long-term borrowings	*10*	**359,880**	432,399
Lease liabilities		**17**	229
Deferred tax liabilities		**118,359**	110,308
		483,959	548,501
Current liabilities			
Trade and other payables	*11*	**28,271**	26,774
Tax payable		**1,945**	2,649
Amount due to a related company		**620**	605
Current portion of long-term borrowings	*10*	**153,000**	112,439
Short-term borrowings	*10*	**12,806**	18,297
Lease liabilities		**426**	466
		197,068	161,230
Total liabilities		**681,027**	709,731
Total equity and liabilities		**2,283,194**	2,199,609
Net current assets		**643,823**	638,310
Total assets less current liabilities		**2,086,126**	2,038,379

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information of the Group (the "**Interim Financial Information**") for the six months ended 30 June 2026 has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), including compliance with Hong Kong Accounting Standard ("**HKAS**") 34, "Interim Financial Reporting" as issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). It should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025 (the "**2025 Financial Statements**"), which have been prepared in accordance with the HKFRS Accounting Standards.

As at 30 June 2026, the Group had total borrowings amounting to HK$525,686,000, out of which HK$165,806,000 were due for repayment within the next twelve months from 30 June 2026. As at 30 June 2026, the Group had unrestricted cash and cash equivalents amounting to HK$51,501,000.

As at 30 June 2026, the Group's trade and other receivables amounted to HK$520,617,000 and there was delay in settlement of trade receivables for the year ended 31 December 2025. During the six-month period ended 30 June 2026, the total payment received from Municipal Administration of Yinchuan (銀川市城市管理局) ("**Yinchuan Municipal**") , the Group's sole customer, amounted to RMB102,301,000 *(equivalent to approximately HK$118,024,000)*, which fell short from the targeted amount of RMB125,000,000 *(equivalent to approximately HK$144,212,000)* as demanded by the management of the Group.

The assessment as to whether the Group has sufficient working capital to meet its financial obligations as and when they fall due in the next twelve months from 30 June 2026 depends on the Group's forecasted operating cash inflows. In view of the lower-than-expected repayment received from Yinchuan Municipal during the six-month period ended 30 June 2026, the Group considers that there is significant uncertainty over the timing and amount of future payments from Yinchuan Municipal in the next twelve months from 30 June 2026. This indicates the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of such circumstances, the Directors have given careful consideration to the future liquidity of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. The plans and measures have been taken to mitigate the liquidity pressure and to improve its financial position, including but not limited to the following:

(1) the management has been maintaining regular communications with Yinchuan Municipal regarding repayment arrangements, including a request to Yinchuan Municipal for repayment of RMB125,000,000 *(equivalent to approximately HK$144,212,000)* by 31 May 2026, and an additional RMB125,000,000 *(equivalent to approximately HK$144,212,000)* by 30 November 2026. In view of the lower-than-expected repayment by RMB22,699,000 *(equivalent to approximately HK$26,188,000)* in the six-month period ended 30 June 2026, the management expects to receive RMB145,000,000 *(equivalent to approximately HK$167,000,000)* by 31 December 2026, and RMB125,000,000 *(equivalent to approximately HK$144,212,000)* by 30 June 2027 from Yinchuan Municipal;

(2) the Group had borrowings due for repayment within the next twelve months amounting to HK$165,806,000. Of this amount, the Group's current short-term bank borrowing facility *(including borrowings drawdown of HK$12,806,000)* is going to expire on 31 October 2026. The renewal of the short-term bank borrowing facility is currently under final approval by the bank. On 1 July 2026, the bank granted the Group a new short-term bank borrowing facility of RMB5,900,000 *(equivalent to approximately HK$6,807,000)*; and

(3) the management is actively negotiating with the bank to re-structure the repayment schedule of the long-term borrowings and the current portion of such borrowings.

The Directors have reviewed the Group's cashflow forecast prepared by management which covers a period of not less than twelve months from 30 June 2026. In the opinion of the Directors, in light of the above and taking into account the above plans and measures, the Group will have sufficient working capital to meet its financial obligations as and when they fall due in the coming twelve months from 30 June 2026. Accordingly, the Directors consider that it is appropriate to prepare the interim financial information on a going concern basis.

Notwithstanding the above, a material uncertainty exists as to whether the Group is able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend on the followings:

(i) settlement from Yinchuan Municipal in a timely manner in accordance with the Group's request, so as to generate sufficient operating cash inflows to meet its financial obligations; and

(ii) the successful re-structuring of the repayment schedule of the Group's bank borrowings.

Should the Group be unable to achieve the above plans and measures such that it would not be able to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in the interim financial information.

The accounting policies applied are consistent with those set out in the 2025 Financial Statements, except for the adoption of new amendments to standards and interpretation as described below.

2. APPLICATION OF NEW STANDARD AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

2.1 New standards and amendments to standards and interpretation adopted in the current accounting period

For the six months ended 30 June 2026, the Group has adopted the following amendments to standards and interpretation which are relevant to its operations:

HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 (Amendments)	Annual Improvements to HKFRS Accounting Standards – Volume 11
HKFRS 9 and HKFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity
HKFRS 7, HKFRS 18, HKAS 1, HKAS 8, HKAS 36 and HKAS 37 (Amendments)	Disclosures about Uncertainties in the Financial Statements

The adoption of the above amendments to standards and interpretation have no material effect on the results and financial position of the Group.

2.2 New standards and amendments to standards which are not yet effective

The following new standards and amendments to standards have been issued and are mandatory for the Group's accounting periods beginning on or after 1 January 2027 and later periods and have not been early adopted:

		Effective for accounting periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKFRS 19 (Amendments)	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is in the process of making an assessment of the impact of these new standards and amendments to standards in the period of initial application.

3. REVENUE AND SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker ("**CODM**"). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the Board of Directors.

Operating segments are reported in the manner consistent with the internal reporting provided to the CODM. The Group is subject to similar business risk, and resources are allocated based on what is beneficial to the Group in enhancing the value as a whole. The Board of Directors considers the performance assessment of the Group should be based on the profit before income tax of the Group as a whole and regards the Group as a single operating segment and reviews the Interim Financial Information accordingly. Therefore, the Board of Directors considers these to be only one operating segment under the requirements of HKFRS 8 "Operating Segments".

The Group provides wastewater treatment services in the People's Republic of China (the "**PRC**").

An analysis of the Group's revenue from contracts with the customer is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Wastewater treatment operation services	**53,222**	49,100
Finance income from service concession arrangement	**56,931**	56,136
	110,153	105,236

Segment assets and liabilities

No assets and liabilities are included in the Group's segment reporting that are submitted to and reviewed by the CODM internally. Accordingly, no segment assets and liabilities are presented.

Information about major customers

External customer, who contributes over 10% of total revenue of the Group, is as follows:

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Customer A	**110,153**	105,236

Geographical information

During the period, all the revenue was from the customer in the PRC.

As at 30 June 2026, all non-current assets held by the Group *(primarily represented by property, plant and equipment, right-of-use-assets and intangible assets)* are located in the PRC.

4. OTHER INCOME

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest income	**261**	781
Others	**592**	412
	853	1,193

5. INCOME TAX EXPENSE

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current income tax	**7,089**	6,245
Deferred income tax	**3,473**	5,124
	10,562	11,369

6. EARNINGS PER SHARE

a. Basic

The basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares issued during the period.

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited)
Profit attributable to the ordinary shareholders of the Company *(HK$'000)*	**50,907**	50,558
Weighted average number of ordinary shares in issue *(thousand)*	**1,000,000**	1,000,000
Basic earnings per share *(HK$)*	**0.05**	0.05

b. Diluted

Diluted earnings per share is the same as basic earnings per share as there were no potential diluted ordinary shares outstanding as at 30 June 2026 and 2025, respectively.

7. DIVIDENDS

No dividend has been paid or declared by the Company for the six months ended 30 June 2026 (30 June 2025: Nil).

8. PREPAYMENT AND RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENT

	As at 30 June 2026	As at 31 December 2025
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Current	**269,158**	254,021
Non-current	**1,443,254**	1,400,766
Loss allowance	**(11,807)**	(11,807)
	1,700,605	1,642,980

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
Trade receivables	**501,940**	483,627
Loss allowance for trade receivables	**(1,544)**	(1,544)
Trade receivables, net	**500,396**	482,083
Other receivables	**18,140**	17,115
Loss allowance for other receivables	**(24)**	(24)
Other receivables, net	**18,116**	17,091
Prepayment	**537**	821
Total trade and other receivables	**519,049**	499,995

In general, the Group agreed the credit periods with the customer. Aging analysis of gross trade receivables at the respective reporting dates, based on the invoice dates is as follows:

	As at 30 June 2026 (Unaudited) *HK$'000*	As at 31 December 2025 (Audited) *HK$'000*
0–30 days	**19,535**	18,261
31–60 days	**21,301**	19,178
61–90 days	**20,543**	26,244
91–180 days	**55,420**	61,361
181–365 days	**130,096**	109,856
Over 365 days *(note)*	**255,045**	248,727
	501,940	483,627

Note: Yinchuan Municipal has temporarily delayed the settlement process. As a result, there are long outstanding trade receivables aged over 365 days as at 30 June 2026 and 31 December 2025.

10. BORROWINGS

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Non-current		
Long-term borrowings	**359,880**	432,399
Current		
Current portion of long-term borrowings	**153,000**	112,439
Short-term borrowings	**12,806**	18,297
	525,686	563,135

The Group's borrowings as at 30 June 2026 and 31 December 2025 were secured by contractual rights to receive revenue generated by the Group and the land use right granted by the government in relation to parcels of land of which the wastewater treatment plants are situated.

11. TRADE AND OTHER PAYABLES

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
Trade payables	**16,446**	14,926
Retention payables	**447**	443
Other payables and accruals	**11,378**	11,405
	28,271	26,774

The aging analysis of trade payables based on invoice dates is as follows:

	As at 30 June 2026 (Unaudited) ***HK$'000***	As at 31 December 2025 (Audited) *HK$'000*
0–30 days	**965**	625
31–60 days	**920**	759
61–90 days	**1,326**	781
Over 90 days	**13,235**	12,761
	16,446	14,926

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We are a wastewater treatment service provider that operates and manages three wastewater treatment facilities located in Yinchuan, being the capital city of Ningxia Hui Autonomous Region ("**Ningxia**"), the PRC, delivering wastewater treatment services to the local government. We operate and manage our wastewater treatment plants on a Transfer — Operate — Transfer ("**TOT**") basis for 30 years since September 2011. We also undertake the upgrading and expansion of our wastewater treatment facilities to achieve higher wastewater discharge standards and to increase our designed treatment capacities.

As at 30 June 2026, our aggregate daily wastewater treatment capacity was 375,000 cubic metres per day pursuant to the cessation of Plant 1 operations. The discharge standards for all wastewater treatment plants were Class IA *(275,000 cubic metres per day)* and Quasi Surface Water Standard Class IV (準四類水標準) *(100,000 cubic metres per day)*.

For the Reporting Period, the total quantity of wastewater treated was approximately 35.9 million cubic metres, representing a decrease of approximately 1.9 million cubic metres or approximately 5.0%, from the period ended 30 June 2025 at approximately 37.8 million cubic metres. This is mainly due to overall lower inflow of wastewater during the Reporting Period.

Our Group has actively adhered to all the prescribed discharge standards/parameters set in the national policies throughout the Reporting Period and had not encountered any material quality problems or disruption with respect to our wastewater treatment services.

During the Reporting Period, the Group reported revenue and profit after tax ("**PAT**") of approximately HK$110.2 million and HK$50.9 million, respectively, higher than revenue and PAT of HK$105.2 million and HK$50.6 million in the corresponding period of last year.

The higher revenue for the Reporting Period was mainly due to the higher revenue derived from the wastewater treatment operation services by approximately HK$4.1 million. Please refer to the section headed "Financial Review — Revenue" in this announcement for further analysis.

The higher PAT for the Reporting Period was mainly due to lower finance costs by approximately HK$1.2 million. Please refer to the section headed "Financial Review — Finance costs" in this announcement for further analysis.

DEVELOPMENT STRATEGY AND PROSPECTS

For the first half of 2026, China's economic growth resumed at a solid pace with policy stimulus supporting both consumption and infrastructure investment. Export growth remained resilient, which was mainly due to the technology-related demand. However, the conflict in Middle East has resulted the increase in commodity prices. Besides that, the adjustment in the property sector continued.[1]

For the entire year of 2026, however, the economic growth is expected to moderate, resulted from the subdued consumer confidence, soft labour market and the ongoing property sector adjustment. Nonetheless, the fiscal stimulus announced by the central government of China is expected to be positive, with an increase in support for household consumption. Moreover, the impact of the conflict in Middle East is expected to be mitigated by the substantial oil reserves, a high share of renewable energy, as well as low inflation.[1]

For the second half of 2026, our Group will remain focused on the followings:

(i) To finalise the new tariff and new basic volume with the local authority for the expansion and/or upgrading works done on Plant 2 Phase 1, Plant 4 Phase 1 *(upgrading works)* and Plant 4 Phase 2 *(expansion works)*, respectively. The management will continue to follow up closely with the local authorities on this matter;

(ii) To finalise the compensation agreement with the Yinchuan Municipal regarding the closing down of Plant 1. The management will continue to follow up closely with Yinchuan Municipal on this matter; and

(iii) To follow up closely with Yinchuan Municipal on the repayment of the outstanding wastewater treatment service fees amounting to approximately HK$501.9 million as at 30 June 2026.

[1] *Source: Global Economic Prospects — June 2026, World Bank Group*

Operationally, our Group will continue to strengthen our mission of ensuring stable operation, stable outflow of treated wastewater as per required discharge standards (穩定達標排放) under the Concession Agreement entered into with the local government of Yinchuan. Our Group will also continue to focus on cost optimisation and increase efficiency in managing our wastewater treatment plants.

Our Group is also eyeing for potential merger and acquisition opportunities for wastewater treatment assets in Yinchuan, Ningxia and other regions within the PRC with the aim of strengthening our footprint in the PRC and the region.

FINANCIAL REVIEW

Revenue

Our Group's revenue is derived from (i) wastewater treatment operation services; and (ii) finance income from service concession arrangement.

Our revenue increased from approximately HK$105.2 million for the six months ended 30 June 2025 to approximately HK$110.2 million for the Reporting Period, representing an increase of approximately HK$5.0 million or approximately 4.8%.

Further analysis on the revenue is set out below:

- revenue derived from the wastewater treatment operation services increased from approximately HK$49.1 million for the six months ended 30 June 2025 to approximately HK$53.2 million for the Reporting Period, representing an increase of approximately HK$4.1 million or approximately 8.4%, which was mainly due to the remeasurement gain on receivables from provision of construction services under service concession arrangement of approximately HK$6.0 million; and

- revenue derived from the finance income from service concession arrangement increased from approximately HK$56.1 million for the six months ended 30 June 2025 to approximately HK$56.9 million for the Reporting Period, representing an increase of approximately HK$0.8 million or approximately 1.4%, which was mainly due to the appreciation of the functional currency, RMB against the reporting currency, HK$ during the Reporting Period (30 June 2026 average rate: 1 RMB = 1.1395 HK$; 30 June 2025 average rate: 1 RMB = 1.0745 HK$).

Cost of sales

Our cost of sales increased from approximately HK$25.3 million for the six months ended 30 June 2025 to approximately HK$28.8 million for the Reporting Period, representing an increase of approximately HK$3.5 million or approximately 13.8%.

Further analysis of which is set out below:

- costs of wastewater treatment operation increased from approximately HK$16.4 million for the six months ended 30 June 2025 to approximately HK$19.2 million for the Reporting Period, representing an increase of approximately HK$2.8 million or approximately 17.1%. The increase was mainly due to higher electricity costs by approximately HK$1.8 million, resulted from the reimposition of basic electricity fees by the local authorities with effect from 1 January 2026; and

- the remaining cost of sales, which consisted primarily of employee benefit expenses, depreciation and amortisation expenses, repair and maintenance costs and other costs, recorded an increase from approximately HK$8.9 million for the six months ended 30 June 2025 to approximately HK$9.5 million for the Reporting Period, representing an increase of approximately HK$0.6 million or approximately 6.7%. The increase was mainly due to higher employee benefit expenses by approximately HK$0.6 million, resulted from the slight salary adjustment, as well as the increase in both manpower and social security.

Gross profit and gross profit margin

Our gross profit increased from approximately HK$80.0 million for the six months ended 30 June 2025 to approximately HK$81.4 million for the Reporting Period, representing an increase of approximately HK$1.4 million or approximately 1.8%, which was mainly due to the higher revenue derived from the wastewater treatment operation services during the Reporting Period.

However, our gross profit margin decreased from 76.0% for the six months ended 30 June 2025 to 73.9% for the Reporting Period.

Other income

Other income decreased from approximately HK$1.2 million for the six months ended 30 June 2025 to approximately HK$0.9 million for the Reporting Period, representing a decrease of approximately HK$0.3 million or approximately 25.0%. The decrease was mainly due to lower interest income by approximately HK$0.5 million, resulted from lower cash and bank balances as at 30 June 2026 *(approximately HK$51.5 million)* as compared to the corresponding period of last year *(approximately HK$95.9 million)*.

Other losses, net

Our Group recorded other losses, net of approximately HK$3.8 million for the Reporting Period, representing an increase of approximately HK$2.1 million or approximately 123.5%, from approximately HK$1.7 million for the six months ended 30 June 2025. The increase was mainly due to the remeasurement loss on prepayment under service concession arrangement of approximately HK$3.9 million.

General and administrative expenses

General and administrative expenses increased from approximately HK$6.0 million for the six months ended 30 June 2025 to approximately HK$6.6 million for the Reporting Period, representing an increase of approximately HK$0.6 million or approximately 10.0%. The increase was mainly due to higher employee benefit expenses by approximately HK$0.4 million during the Reporting Period, resulted from the increase in manpower.

Finance costs

Finance costs decreased by approximately HK$1.1 million or approximately 9.6%, to approximately HK$10.4 million for the Reporting Period from approximately HK$11.5 million for the six months ended 30 June 2025. The decrease was mainly due to lower interest expenses on borrowings by approximately HK$1.3 million during the Reporting Period, resulted from the repayment of long-term loans of approximately HK$54.0 million during the Reporting Period.

Income tax expense

We incurred income tax expense of approximately HK$11.4 million for the six months ended 30 June 2025 and approximately HK$10.6 million for the Reporting Period, representing a decrease of approximately HK$0.8 million or approximately 7.0%, at effective tax rates of approximately 18.4% and 17.0%, respectively.

The low effective tax rate was mainly due to the reduced corporate income tax rate from 25.0% to 15.0%, announced by the China tax administration in April 2019. The new tax incentive policy is applicable to corporates involved in environment protection industry for tax assessment years from 2019 to 2021. In January 2022, this new tax incentive policy was extended for additional 2 years to 2023. In August 2023, this new tax incentive policy was extended again for additional 4 years to 2027.

Profit and total comprehensive income for the period

As a result of the foregoing factors, our profit for the period increased from approximately HK$50.6 million for the six months ended 30 June 2025 to approximately HK$50.9 million for the Reporting Period, representing an increase of approximately HK$0.3 million or approximately 0.6%.

The total comprehensive income for the Reporting Period amounted to approximately HK$112.3 million as compared to approximately HK$92.7 million for the six months ended 30 June 2025. The difference between the profit for the period and the total comprehensive income for the period was due to the currency translation differences from the translation of RMB, being the functional currency of the operating entities in the PRC to HK$, being the reporting currency (30 June 2026 closing rate: 1 RMB = 1.1537 HK$; 31 December 2025 closing rate: 1 RMB = 1.1089 HK$).

Earnings per share

For the Reporting Period, the earnings per share for profit attributable to owners of the Company *(basic and diluted)* was HK$0.05 per share (30 June 2025: HK$0.05 per share).

Prepayment and receivables under service concession arrangement

Our prepayment and receivables under service concession arrangement that were classified as (i) current assets were approximately HK$253.5 million and HK$268.7 million as at 31 December 2025 and 30 June 2026, respectively; and (ii) non-current assets were approximately HK$1,389.5 million and HK$1,431.9 million as at 31 December 2025 and 30 June 2026, respectively.

Our total prepayment and receivables under service concession arrangement amounted to approximately HK$1,643.0 million and HK$1,700.6 million as at 31 December 2025 and 30 June 2026, respectively. This represented an increase of approximately HK$57.6 million or approximately 3.5%, mainly due to the appreciation of the functional currency, RMB against the reporting currency, HK$ during the Reporting Period (30 June 2026 closing rate: 1 RMB = 1.1537 HK$; 31 December 2025 closing rate: 1 RMB = 1.1089 HK$).

Trade and other receivables

Our Group's trade and other receivables increased by approximately HK$19.0 million or approximately 3.8%, to approximately HK$519.0 million for the Reporting Period from approximately HK$500.0 million for the year ended 31 December 2025. The increase was mainly due to the appreciation of the functional currency, RMB against the reporting currency, HK$ during the Reporting Period (30 June 2026 closing rate: 1 RMB = 1.1537 HK$; 31 December 2025 closing rate: 1 RMB = 1.1089 HK$).

Cash and bank balances

Our Group's cash and bank balances increased by approximately HK$6.8 million or approximately 15.2%, to approximately HK$51.5 million for the Reporting Period as compared to approximately HK$44.7 million for the year ended 31 December 2025. The increase in cash on bank balances was mainly due to the collection of wastewater treatment service fees from the local authorities of approximately HK$118.0 million *(equivalent to approximately RMB102.3 million)* during the Reporting Period. The cash and bank balances were denominated in HK$, RMB, SG$ and US$.

Borrowings

As at 30 June 2026, our Group had bank borrowings, which were denominated in RMB, of approximately HK$525.7 million (31 December 2025: HK$563.1 million), represented by short-term working capital loans of approximately HK$12.8 million (31 December 2025: HK$18.3 million) and long-term loans of approximately HK$512.9 million (31 December 2025: HK$544.8 million), which were denominated in RMB. This represented a decrease of approximately HK$37.4 million or approximately 6.6%.

The decrease in borrowings was mainly due to the repayment of long-term loans of approximately HK$54.0 million during the Reporting Period.

Liquidity and Capital Resources

Our principal liquidity and capital requirements are primarily related to costs and expenses from business operations, as well as purchase of equipment, if any. As at 30 June 2026, the net current assets and net assets of our Group amounted to approximately HK$643.8 million and HK$1,602.2 million, respectively (31 December 2025: net current assets and net assets of approximately HK$638.3 million and HK$1,489.9 million, respectively).

Gearing Ratio

As at 30 June 2026, the gearing ratio *(calculated by net debts divided by total equity; net debts include total borrowings minus cash and bank balances)* was approximately 30.0% (31 December 2025: approximately 35.2%).

Foreign Currency Risk

Our Group principally operates in the PRC with most of the transactions being settled in RMB, which is the functional currency of most of the group entities. Foreign currency risk arises from the recognised assets and liabilities and net investments in foreign operations. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through financing activities denominated in the relevant foreign currencies, including the US$ (the "**Non-functional Currency**").

Fluctuations in exchange rates between the functional currencies of respective group entities and Non-functional Currency in which our group entities conduct business may affect our Group's financial position and results of operations. Our Group seeks to limit its exposure to foreign currency risk by closely monitoring and minimising its net foreign currency position.

Contingent Liabilities

Our Group did not have any material contingent liabilities or outstanding litigation as at 30 June 2026.

Interim dividends

No interim dividend has been recommended by the Board for the six months ended 30 June 2026 and 2025, respectively.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Our Company has applied the principles and complied with all the applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period.

AUDIT COMMITTEE

Our 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 our Group's financial reporting process, risk management and internal controls.

The Audit Committee comprises of two independent non-executive Directors, Mr. Hew Lee Lam Sang *(being the chairman of the Audit Committee who has a professional qualification in accountancy)* and Mr. Tam Ka Hei Raymond, and one non-executive Director, Mr. Lim Chin Sean.

The Audit Committee has reviewed the unaudited interim results of our Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies adopted with the senior management and the external auditor of our Company.

REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The unaudited condensed consolidated interim financial information have been reviewed by the Company's independent auditor, PricewaterhouseCoopers, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The review report of the independent auditor will be included in the interim report of our Company.

EXTRACT OF REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The following is an extract of the review report on the Interim Financial Report for the six months ended 30 June 2026:

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information of the Group is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" as issued by the HKICPA.

EMPHASIS OF MATTER

We draw attention to Note 2 to the interim financial information, which indicates that as at 30 June 2026, the Group had total borrowings amounting to HK$525,686,000, out of which HK$165,806,000 will be due for repayment within the next twelve months from 30 June 2026 while as at 30 June 2026, the Group had unrestricted cash and cash equivalents amounted to only HK$51,501,000. Furthermore, there was delay in settlement of trade receivables for the year ended 31 December 2025 and the amount received from its sole customer, Yinchuan Municipal, during the six-month period ended 30 June 2026 fell short from the targeted amount as demanded by the management of the Group. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 to the interim financial information, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

EVENTS AFTER THE REPORTING PERIOD

Our Group has no material subsequent event after the Reporting Period and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

Our Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in the Appendix C3 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Our Company has made specific enquiries with all of our Directors, and all of the Directors have confirmed that they have fully complied with the required standard set out in the Model Code during the Reporting Period.

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

During the Reporting Period, neither our Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of our Company. As at 30 June 2026, no treasury shares *(as defined under the Listing Rules)* were held by our Company.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement has been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.tilenviro.com). The interim report of our Company for the six months ended 30 June 2026 will be published on the aforesaid websites in due course.

APPRECIATION

The Board would like to take this opportunity to express its sincere gratitude to our Company's shareholders for their support and to our Group's staff for their hard work and contribution during the Reporting Period.

By order of the Board
TIL Enviro Limited
Lim Chin Sean
Chairman

Hong Kong, 27 August 2026

As at the date of this announcement, the non-executive Directors are Mr. Lim Chin Sean and Ms. Lim Siew Ling; the executive Director is Mr. Wong Kok Sun; and the independent non-executive Directors are Mr. Tan Yee Boon, Mr. Hew Lee Lam Sang and Mr. Tam Ka Hei Raymond.