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Datang Environment Industry Group Co., Ltd.*
大唐環境產業集團股份有限公司

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

(Stock Code: 1272)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

FINANCIAL AND OPERATION HIGHLIGHTS

- For the year ended 31 December 2025, the revenue of the Group amounted to RMB5,400.9 million, representing a decrease of 6.4% as compared with last year.
- For the year ended 31 December 2025, the gross profit of the Group amounted to RMB1,190.4 million, representing a decrease of 3.2% as compared with last year; the gross profit margin was 22.0%, representing an increase of 0.7 percentage point as compared with last year.
- For the year ended 31 December 2025, the total comprehensive income attributable to owners of the parent amounted to RMB575.5 million, representing an increase of 4.9% as compared with last year.
- For the year ended 31 December 2025, the Group continued to be the largest desulfurization and denitrification concession operator and the largest manufacturer of denitrification catalysts in the People's Republic of China.
- On 27 March 2026, the Board proposed to distribute the final dividend of RMB0.0847 per ordinary share (before tax) for the year ended 31 December 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of Datang Environment Industry Group Co., Ltd.* (the “**Company**”) hereby announces the financial results of the Company and its subsidiaries (the “**Group**” or “**we**” or “**us**”) for the year ended 31 December 2025, together with the comparable figures of 2024. The financial data of the Group for the year ended 31 December 2025 set out by the Company in this results announcement is based on the consolidated financial statements prepared in accordance with IFRS Accounting Standards (“**IFRS**”) issued by the International Accounting Standards Board (“**IASB**”) and the disclosure requirements of the Hong Kong Companies Ordinance.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB’000	2024 <i>RMB’000</i>
Revenue	5	5,400,874	5,770,906
Cost of sales		(4,210,453)	(4,541,458)
Gross profit		1,190,421	1,229,448
Selling and distribution expenses		(16,268)	(25,977)
Administrative expenses		(465,019)	(461,191)
Other income, other gains and losses	5	117,925	100,226
Finance costs	6	(85,974)	(144,618)
Impairment losses on financial assets and contract assets, net		(39,762)	(42,776)
Profit before tax		701,323	655,112
Income tax expense	7	(108,332)	(102,667)
PROFIT FOR THE YEAR		592,991	552,445

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		<u>7,564</u>	<u>878</u>
Other comprehensive income that may be reclassified to profit or loss in subsequent periods, net		<u>7,564</u>	<u>878</u>
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value		(2,578)	(1,413)
Income tax effect		<u>387</u>	<u>212</u>
Other comprehensive losses that will not be reclassified to profit or loss in subsequent periods, net		<u>(2,191)</u>	<u>(1,201)</u>
OTHER COMPREHENSIVE INCOME/(LOSSES) FOR THE YEAR, NET OF TAX		<u>5,373</u>	<u>(323)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>598,364</u></u>	<u><u>552,122</u></u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONTINUED)**

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
Profit attributable to:			
Owners of the parent		573,466	549,061
Non-controlling interests		19,525	3,384
		592,991	552,445
Total comprehensive income attributable to:			
Owners of the parent		575,511	548,352
Non-controlling interests		22,853	3,770
		598,364	552,122
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	9	RMB0.19	RMB0.19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		5,513,242	5,930,293
Intangible assets		214,797	204,972
Right-of-use assets		225,604	250,455
Equity investments designated at fair value through other comprehensive income		6,009	3,587
Deferred tax assets		85,372	83,700
Other non-current assets		311,949	323,371
Total non-current assets		6,356,973	6,796,378
CURRENT ASSETS			
Inventories		205,699	187,507
Contract assets		431,726	175,922
Trade and bills receivables	10	5,387,758	6,766,123
Prepayments, other receivables and other assets		427,824	416,406
Restricted cash		11,335	10,990
Cash and cash equivalents		1,831,235	994,747
Total current assets		8,295,577	8,551,695
CURRENT LIABILITIES			
Trade payables	11	2,626,693	3,261,072
Other payables and accruals		655,145	592,186
Provisions		140	200
Interest-bearing bank borrowings and other loans	12	2,968,921	2,471,365
Income tax payable		11,716	9,322
Total current liabilities		6,262,615	6,334,145

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NET CURRENT ASSETS		<u>2,032,962</u>	<u>2,217,550</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,389,935</u>	<u>9,013,928</u>
NON-CURRENT LIABILITIES			
Provisions		–	280
Interest-bearing bank borrowings and other loans	12	393,188	1,450,960
Deferred tax liabilities		26,328	29,791
Other non-current liabilities		<u>30,573</u>	<u>23,303</u>
Total non-current liabilities		<u>450,089</u>	<u>1,504,334</u>
Net assets		<u>7,939,846</u>	<u>7,509,594</u>
EQUITY			
Equity attributable to owners of the parent			
Share capital	13	2,967,542	2,967,542
Reserves		<u>5,174,565</u>	<u>4,747,033</u>
		<u>8,142,107</u>	<u>7,714,575</u>
Non-controlling interests		<u>(202,261)</u>	<u>(204,981)</u>
Total equity		<u>7,939,846</u>	<u>7,509,594</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital (Notes 13) RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Other reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2025	2,967,542	1,315,483	551,297	46,153	(1,201)	1,407	2,833,894	7,714,575	(204,981)	7,509,594
Profit for the year	-	-	-	-	-	-	573,466	573,466	19,525	592,991
Other comprehensive income for the year:										
Exchange difference on translation of foreign operations	-	-	-	-	-	4,236	-	4,236	3,328	7,564
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(2,191)	-	-	(2,191)	-	(2,191)
Total comprehensive income for the year	-	-	-	-	(2,191)	4,236	573,466	575,511	22,853	598,364
Appropriation to statutory surplus reserve	-	-	55,752	3,347	-	-	(55,752)	3,347	412	3,759
Final 2024 dividend declared (Note 8)	-	-	-	-	-	-	(151,326)	(151,326)	-	(151,326)
Dividends declared by a subsidiary to its non-controlling interests	-	-	-	-	-	-	-	-	(20,545)	(20,545)
As at 31 December 2025	<u>2,967,542</u>	<u>1,315,483</u>	<u>607,049</u>	<u>49,500</u>	<u>(3,392)</u>	<u>5,643</u>	<u>3,200,282</u>	<u>8,142,107</u>	<u>(202,261)</u>	<u>7,939,846</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2025

	Attributable to owners of the parent									
	Share capital (Notes 13) RMB'000	Capital reserve* RMB'000	Statutory surplus reserve* RMB'000	Other reserve* RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income* RMB'000	Exchange fluctuation reserve* RMB'000	Retained profits* RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
As at 1 January 2024	2,967,542	1,315,483	498,106	35,700	-	915	2,652,524	7,470,270	(188,646)	7,281,624
Profit for the year	-	-	-	-	-	-	549,061	549,061	3,384	552,445
Other comprehensive income for the year:										
Exchange difference on translation of foreign operations	-	-	-	-	-	492	-	492	386	878
Change in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	-	(1,201)	-	-	(1,201)	-	(1,201)
Total comprehensive income for the year	-	-	-	-	(1,201)	492	549,061	548,352	3,770	552,122
Appropriation to statutory surplus reserve	-	-	53,191	10,453	-	-	(53,191)	10,453	895	11,348
Final 2023 dividend declared (Note 8)	-	-	-	-	-	-	(314,500)	(314,500)	-	(314,500)
Dividends declared by a subsidiary to its non-controlling interests	-	-	-	-	-	-	-	-	(21,000)	(21,000)
As at 31 December 2024	<u>2,967,542</u>	<u>1,315,483</u>	<u>551,297</u>	<u>46,153</u>	<u>(1,201)</u>	<u>1,407</u>	<u>2,833,894</u>	<u>7,714,575</u>	<u>(204,981)</u>	<u>7,509,594</u>

* These reserves accounts comprise the consolidated reserves of RMB5,174,565,000 (31 December 2024: RMB4,747,033,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		701,323	655,112
Adjustments for:			
Finance costs		85,974	144,618
Interest income		(891)	(5,765)
Investment income		–	(4,263)
Depreciation of property, plant and equipment		481,192	486,406
Amortisation of intangible assets		32,971	31,056
Depreciation of right-of-use assets		24,851	26,510
Amortisation of other non-current assets		140,988	138,302
Gain on termination of lease	5	–	(12,399)
Loss on disposal of items of property, plant and equipment	5	141	53,666
Amortisation of government grants		(2,844)	(2,106)
Impairment losses on property, plant and equipment, net		–	42,785
Impairment losses on trade receivables, net		31,850	32,548
(Reversal of impairment)/impairment losses on other receivables, net		(735)	8,561
Impairment losses/(reversal of impairment) on contract assets, net		3,859	(5,417)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 RMB'000
Increase in inventories		(18,193)	(25,390)
(Increase)/decrease in contract assets		(301,046)	169,618
Decrease in trade and bills receivables		1,420,611	1,328,237
Increase in prepayments, other receivables and other assets		(50,812)	(61,498)
(Increase)/decrease in restricted cash		(345)	40,257
Decrease in trade payables		(634,379)	(1,051,322)
Increase/(decrease) in other payables and accruals		118,620	(148,326)
Decrease in provisions		(340)	(420)
		<hr/>	<hr/>
Cash generated from operations		2,032,795	1,840,770
Income tax paid		(128,502)	(124,566)
		<hr/>	<hr/>
Net cash flows generated from operating activities		1,904,293	1,716,204
		<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		891	5,765
Purchase of items of property, plant and equipment, intangible assets and other non-current assets		(267,342)	(349,639)
Proceeds from disposal of items of property, plant and equipment		5,825	7,054
Purchases of equity investments designated at fair value through other comprehensive income		(5,000)	(5,000)
Receipt of government grants for property, plant and equipment		10,112	850
		<hr/>	<hr/>
Net cash flows used in investing activities		(255,514)	(340,970)
		<hr/>	<hr/>

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)*For the year ended 31 December 2025*

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from bank borrowings and other loans		4,583,628	5,114,988
Repayments of bank borrowings and other loans		(5,125,886)	(6,757,479)
Principal portion of lease payments		(18,539)	(25,625)
Dividends paid to shareholders		(151,422)	(314,500)
Dividends paid to non-controlling interests		(21,545)	(22,450)
Interest paid		(77,796)	(134,843)
		<hr/>	<hr/>
Net cash flows used in financing activities		(811,560)	(2,139,909)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		837,219	(764,675)
Cash and cash equivalents at beginning of year		994,747	1,759,357
Effect of foreign exchange rate changes, net		(731)	65
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,831,235	994,747
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Datang Environment Industry Group Co., Ltd. (大唐環境產業集團股份有限公司) (the “**Company**”) was established on 25 July 2011 in the People’s Republic of China (the “**PRC**”) with limited liability. On 26 June 2015, the Company was converted into a joint stock company with limited liability from a limited liability company. The shares of the Company have been listed on the Main board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) since 15 November 2016. The address of its registered office is No. 120 Zizhuyuan Road, Haidian District, Beijing, the PRC.

The Company and its subsidiaries (together the “**Group**”) are involved in the following principal activities: environmental protection facility concession operation, the manufacture and sale of denitrification catalysts, environmental protection facility engineering, water treatment business, energy conservation business and renewable energy engineering business.

In the opinion of the directors of the Company (“**Directors**”), the immediate holding company and ultimate holding company of the Company is China Datang Corporation Ltd. (“**China Datang**”), a company established and domiciled in the PRC and wholly- owned by the State-owned Assets Supervision and Administration Commission of the State Council.

These consolidated financial statements are presented in Renminbi (“**RMB**”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise indicated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

1. GENERAL INFORMATION (CONTINUED)

Information about subsidiaries

Details of the Company's subsidiaries are as follows:

Name #	Place of incorporation/ registration/operation	Issued and fully paid-up capital/ registered capital	Percentage of equity attributable to the Company (%)		Principal activities
			Direct	Indirect	
China Datang Technologies & Engineering Co., Ltd. (中國大唐集團科技工程有限公司) ("Technologies & Engineering Company")	Beijing, the PRC, limited liability company	RMB180,000,000	56.00	–	Development of environmental protection technology and provision of engineering services in the PRC
Datang Nanjing Environmental Protection Technology Co., Ltd. (大唐南京環保科技有限責任公司) ("Nanjing Environmental Protection")	Nanjing, the PRC, limited Liability company	RMB124,630,000	92.11	–	Development and sale of catalysts; and provision of testing services in the PRC
Datang Technologies & Engineering India Private Limited (大唐科技工程印度有限公司) ("Technologies & Engineering India")	Mumbai, India, limited liability company	Indian rupees 1,000,000	–	100.00	Provision of engineering services in India
Datang Beijing Energy Saving & Technology Co., Ltd. (大唐(北京)節能技術有限公司) ("Energy Saving & Technology")	Beijing, the PRC, limited liability company	RMB10,000,000	65.00	–	Provision of project management, engineering and technology services in the PRC
Datang Beijing Water Engineering & Technology Co., Ltd. (大唐(北京)水務工程技術有限公司) ("Water Engineering & Technology")	Beijing, the PRC, limited liability company	RMB337,976,000	100.00	–	Provision of technology services, energy saving technology promotion services and water engineering services in the PRC
Zhejiang Datang Tiandi Environmental Technology Co., Ltd. (浙江大唐天地環保科技有限公司) ("Tiandi Environmental")	Ningbo, the PRC, limited liability company	RMB60,000,000	65.00	–	Development of pollution improvement environmental protection technology and provision of technology services in the PRC
Datang (Jiangsu) Environmental Protection Equipment Co., Ltd. (大唐(江蘇)環保裝備有限公司) ("Jiangsu Environmental Protection")	Jiangsu, the PRC, limited liability company	RMB38,000,000	100.00	–	Development and sale of catalysts; and provision of testing services in the PRC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

1. GENERAL INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

Name #	Place of incorporation/ registration/operation	Issued and fully paid-up capital/ registered capital	Percentage of equity attributable to the Company (%)		Principal activities
			Direct	Indirect	
Datang Environment (Xiong' an) Smart Energy Co., Ltd. (大唐環境(雄安)智慧能源有限公司) ("Xiong' an Smart Energy")	Xiong' an, the PRC, limited liability company	RMB5,000,000	100.00	-	Development and sale of photovoltaic power generation in the PRC
Datang Environmental Industry Group Hulunbuir Lvchuang Environmental Protection Co., Ltd. (大唐環境產業集團呼倫貝爾綠創環保有限公司) ("Hulunbuir Lvchuang Environmental")	Hulunbuir, the PRC, limited liability company	RMB117,200,000	100.00	-	Provision of solid waste treatment services, wind power generation technology services and solar power generation technology services in the PRC

The names of these companies referred to in this results announcement represent management's best effort at translating the Chinese names of the companies, as no English names have been registered. The above companies are all limited companies.

None of the subsidiaries had issued any debt securities at the end of the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

New and amendments to standards that have been issued but are not yet effective (Continued)

IFRS 18	<i>Presentation and Disclosure in Financial Statements²</i>
IFRS 19	<i>Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IFRS 19	<i>Amendments to Subsidiaries without Public Accountability: Disclosures²</i>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency²</i>

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Except for the impact of IFRS 18 mentioned below, the above new and amendments to existing standards are not expected to have a material impact on the consolidated financial statements of the Group. The Group will adopt the new and amendments to IFRS when they become effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

2. APPLICATION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS (CONTINUED)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace *IAS 1 Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Basis of Preparation of Financial Statements* and IFRS 7 *Financial Instruments: Disclosure*. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future consolidated financial statements. The Group is currently assessing the detailed impact of IFRS 18 will have on the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS and Interpretations issued by the IASB, and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Basis of preparation

The material accounting policy information that has been used in the preparation of these consolidated financial statements are summarised below. This policy information has been consistently applied to all of the years presented unless otherwise stated. The adoption of new and amendments to IFRS and the impacts on the Group's consolidated financial statements, if any, are disclosed in Note 2.

It should be noted that accounting estimates and assumptions are used in the preparation of the consolidated financial statements. Although these estimates and assumptions are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 to the consolidated financial statements in the 2025 annual report of the Company.

(c) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e. existing rights that give the Group the current ability to direct the relevant activities of the investee).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(c) Basis of consolidation (continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary; (ii) the carrying amount of any non-controlling interests; and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received; (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group's operating businesses are structured and managed separately according to their nature. Each of the Group's operating segments represents a strategic business unit that provides services which are subject to risks and returns that are different from those of the other operating segments. Summary details of the operating segments are as follows:

(a) Environmental protection and energy conservation solutions

The environmental protection and energy conservation solutions business mainly includes flue gas desulfurisation and denitrification facilities concession operation for coal-fired power plants; the manufacture and sale of denitrification catalysts; engineering for coal-fired power plants, including the engineering of denitrification, desulfurisation, dust removal, ash and slag handling and other environmental protection facilities and industrial site dust management related engineering; water treatment; and energy conservation including energy conservation business facilities engineering and energy management contracting ("EMC").

(b) Renewable energy engineering

The renewable energy engineering business mainly includes the engineering general contracting for newly-built wind power plants, biomass power plants and photovoltaic power plants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

(c) Thermal power engineering

The thermal power engineering business mainly includes the engineering procurement construction (“EPC”) services for thermal power plants.

(d) Other businesses

Other businesses currently mainly include various businesses such as fiberglass chimney anti-corrosion and air cooling system engineering general contracting.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group’s profit before tax except that other income, other gains and losses, non-lease-related finance costs as well as corporate and other unallocated expenses are excluded from such measurement.

Segment assets and liabilities mainly comprise operating assets and liabilities that are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Segment assets exclude unallocated intangible assets, unallocated deferred tax assets, unallocated prepayments, other receivables and other assets, restricted cash, cash and cash equivalents and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated interest-bearing bank borrowings and other loans (other than lease liabilities) for daily operation purposes and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2025	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (Note 5)					
Sales to external customers	5,316,225	62,082	–	22,567	5,400,874
Intersegment sales	–	–	–	51,548	51,548
	5,316,225	62,082	–	74,115	5,452,422
<i>Reconciliation:</i>					
Elimination of intersegment sales					(51,548)
Revenue					<u>5,400,874</u>
Segment results	1,278,251	14,405	–	(102,235)	1,190,421
<i>Reconciliation:</i>					
Other income, other gains and losses					117,925
Finance costs (other than interest on lease liabilities which is included in corporate and other unallocated expenses)					(85,974)
Corporate and other unallocated expenses					(521,049)
Profit before tax					<u>701,323</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2025	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	14,745,071	390,769	–	75,348	15,211,188
<i>Reconciliation:</i>					
Elimination of intersegment receivables					<u>(2,033,861)</u>
					13,177,327
Unallocated intangible assets					48,711
Unallocated deferred tax assets					85,372
Unallocated prepayments, other receivables and other assets					411,371
Restricted cash, cash and cash equivalents					11,335
Other unallocated head office and corporate assets					<u>918,434</u>
Total assets					<u><u>14,652,550</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2025	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment liabilities	4,934,575	352,034	-	62,986	5,349,595
<i>Reconciliation:</i>					
Elimination of intersegment payables					<u>(2,033,861)</u>
					3,315,734
Unallocated interest-bearing bank borrowings and other loans (other than lease liabilities)					3,168,889
Other unallocated head office and corporate liabilities					<u>228,081</u>
Total liabilities					<u><u>6,712,704</u></u>
Other segment information					
Impairment of trade receivables	36,638	-	-	-	36,638
Impairment on contract assets	3,859	-	-	-	3,859
Reversal of impairment on financial assets included in prepayments, other receivables and other assets	-	(735)	-	-	(735)
Impairment losses recognised in profit or loss, net	40,497	(735)	-	-	39,762
Depreciation and amortisation	669,920	3,435	-	8,306	681,661
Capital expenditure*	<u>112,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112,621</u>

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment revenue (Note 5)					
Sales to external customers	5,497,468	252,259	–	21,179	5,770,906
Intersegment sales	–	–	–	47,577	47,577
	5,497,468	252,259	–	68,756	5,818,483
<i>Reconciliation:</i>					
Elimination of intersegment sales					(47,577)
Revenue					<u>5,770,906</u>
Segment results	1,002,950	38,117	–	(128,515)	912,552
<i>Reconciliation:</i>					
Other income, other gains and losses					100,226
Finance costs (other than interest on lease liabilities which is included in corporate and other unallocated expenses)					(124,458)
Corporate and other unallocated expenses					(233,208)
Profit before tax					<u>655,112</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment assets	14,730,441	463,120	7,288	55,296	15,256,145
<i>Reconciliation:</i>					
Elimination of intersegment receivables					<u>(2,120,547)</u>
					13,135,598
Unallocated intangible assets					42,614
Unallocated deferred tax assets					50,672
Unallocated prepayments, other receivables and other assets					285,628
Restricted cash, cash and cash equivalents					1,005,737
Other unallocated head office and corporate assets					<u>827,824</u>
Total assets					<u><u>15,348,073</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2024	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other business <i>RMB'000</i>	Total <i>RMB'000</i>
Segment liabilities	7,706,397	470,297	22,039	39,208	8,237,941
<i>Reconciliation:</i>					
Elimination of intersegment payables					<u>(2,120,547)</u>
					6,117,394
Unallocated interest-bearing bank borrowings and other loans (other than lease liabilities)					1,617,307
Other unallocated head office and corporate liabilities					<u>103,778</u>
Total liabilities					<u><u>7,838,479</u></u>
Other segment information					
Impairment of trade receivables	39,632	–	–	–	39,632
Reversal of impairment on contract assets	(5,417)	–	–	–	(5,417)
Impairment of financial assets included in prepayments, other receivables and other assets	<u>–</u>	<u>8,561</u>	<u>–</u>	<u>–</u>	<u>8,561</u>
Impairment losses recognised in profit or loss, net	34,215	8,561	–	–	42,776
Depreciation and amortisation	655,914	2,759	–	16,252	674,925
Capital expenditure*	<u><u>228,565</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>–</u></u>	<u><u>228,565</u></u>

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

The majority of the non-current assets are located in PRC, and all of the revenue is generated from PRC. Therefore, no further geographical information is presented.

Information about major customers

Revenue of approximately RMB4,638 million (2024: RMB4,882 million) was derived from the sale of goods and the rendering of services to China Datang and its subsidiaries (excluding the Group) (“China Datang Group”).

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES

An analysis of revenue is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue from contracts with customers	<u>5,400,874</u>	<u>5,770,906</u>
	<u><u>5,400,874</u></u>	<u><u>5,770,906</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (CONTINUED)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2025

Operating segments	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services					
Sale of industrial products	433,150	-	-	8,794	441,944
Construction services	878,398	62,082	-	1,584	942,064
Desulfurisation and denitrification services	4,004,677	-	-	12,189	4,016,866
Total revenue from contracts with customers	5,316,225	62,082	-	22,567	5,400,874
Timing of revenue recognition					
Goods transferred at a point in time	433,150	-	-	8,794	441,944
Services rendered over time	4,883,075	62,082	-	13,773	4,958,930
Total revenue from contracts with customers	5,316,225	62,082	-	22,567	5,400,874

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

Operating segments	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
Types of goods or services					
Sale of industrial products	526,506	–	–	18,261	544,767
Construction services	531,977	252,259	–	2,918	787,154
Desulfurisation and denitrification services	4,438,985	–	–	–	4,438,985
Total revenue from contracts with customers	5,497,468	252,259	–	21,179	5,770,906
Timing of revenue recognition					
Goods transferred at a point in time	526,506	–	–	18,261	544,767
Services rendered over time	4,970,962	252,259	–	2,918	5,226,139
Total revenue from contracts with customers	5,497,468	252,259	–	21,179	5,770,906

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

**5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES
(CONTINUED)**

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

For the year ended 31 December 2025

Operating segments	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers					
External customers	5,316,225	62,082	-	22,567	5,400,874
Intersegment sales	-	-	-	51,548	51,548
	5,316,225	62,082	-	74,115	5,452,422
Intersegment adjustments and eliminations	-	-	-	(51,548)	(51,548)
Total revenue from contracts with customers	5,316,225	62,082	-	22,567	5,400,874

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(i) Disaggregated revenue information (Continued)

For the year ended 31 December 2024

Operating segments	Environmental protection and energy conservation solutions <i>RMB'000</i>	Renewable energy engineering <i>RMB'000</i>	Thermal power engineering <i>RMB'000</i>	Other businesses <i>RMB'000</i>	Total <i>RMB'000</i>
Revenue from contracts with customers					
External customers	5,497,468	252,259	–	21,179	5,770,906
Intersegment sales	–	–	–	47,577	47,577
	5,497,468	252,259	–	68,756	5,818,483
Intersegment adjustments and eliminations	–	–	–	(47,577)	(47,577)
Total revenue from contracts with customers	5,497,468	252,259	–	21,179	5,770,906

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES (CONTINUED)

Revenue from contracts with customers (Continued)

(i) *Disaggregated revenue information (Continued)*

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	2025	2024
	RMB'000	RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of industrial products	2,393	1,525
Construction services	93,631	33,329
	96,024	34,854

(ii) *Performance obligations*

Information about the Group's performance obligations is summarised below:

Sale of industrial products

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, where payment in advance is normally required.

Construction services

The performance obligation is satisfied over time as services are rendered and payment is generally due within one year from the date of billing. A certain percentage of payment is retained by customers until the end of the retention period as the Group's entitlement to the final payment is conditional on the satisfaction of the service quality by the customers over a certain period as stipulated in the contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

**5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES
 (CONTINUED)**

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Desulfurisation and denitrification services

Under the concession operation contracts, the Group is engaged in providing desulfurisation and denitrification services to power plants during their operating cycles. The performance obligations are satisfied over time as customers simultaneously receive and consume the benefits provided by the Group. Payment is generally due within 30 days from the date of billing.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 31 December 2024 are as follows:

	2025	2024
	RMB'000	RMB'000
Amounts expected to be recognised as revenue		
Within one year	512,691	584,901
More than one year	194,161	–
	<hr/>	<hr/>
Total	706,852	584,901
	<hr/> <hr/>	<hr/> <hr/>

The amounts of transactions prices allocated to the remaining performance obligations which are expected to be recognised as revenue within one year related to construction services, of which the performance obligations are to be satisfied within two years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)*For the year ended 31 December 2025***5. REVENUE, OTHER INCOME, OTHER GAINS AND LOSSES
(CONTINUED)****Other income, other gains and losses**

	2025	2024
	RMB'000	RMB'000
OTHER INCOME		
Interest income	891	5,765
Government grants (<i>Note</i>)	126,240	134,700
Investment income	–	4,263
	<u>127,131</u>	<u>144,728</u>
OTHER GAINS AND LOSSES NET		
Exchange (losses)/gains	(3,703)	516
Loss on disposal of items of property, plant and equipment	(141)	(53,666)
Gain on termination of lease	–	12,399
Compensation losses	(5,362)	(3,751)
	<u>(9,206)</u>	<u>(44,502)</u>
	<u>117,925</u>	<u>100,226</u>

Note: The amount mainly represents the income related to the VAT refunds received by the Group. As at 31 December 2025 and 2024, there were no unfulfilled conditions or other contingencies attached to the government grants that had been recognised by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interest on lease liabilities	7,714	10,662
Interest expenses on bank borrowings and other loans	78,260	133,973
Less: interest capitalised	—	(17)
	<u>85,974</u>	<u>144,618</u>

The Group's capitalisation rate for the year ended 31 December 2025 was nil (for the year ended 31 December 2024: 3.5%).

7. INCOME TAX EXPENSE

Pursuant to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and the Enterprise Income Tax Law Implementation Regulations of the People's Republic of China (《中華人民共和國企業所得法實施條例》), the Company and its certain subsidiaries have been recognised as high-technology enterprises and are subject to a preferential corporate income tax rate of 15%.

Under the above tax law and regulations, except for preferential treatments available to certain branches and subsidiaries of the Company as mentioned above, subsidiaries within the Group are subject to corporate income tax at the statutory rate of 25%.

The subsidiary of the Company in India was subject to corporate income tax at a rate of 26% during the period from 1 January 2025 to 31 December 2025 (26% during the period from 1 January 2024 to 31 December 2024).

The components of income tax expense for the year are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax		
Provision for the year	111,890	121,961
Under provision/(overprovision) in respect of prior years	1,190	(5,237)
Deferred tax	(4,748)	(14,057)
	<u>108,332</u>	<u>102,667</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

7. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of the income tax expense applicable to profit before tax using the statutory income tax rate applicable in the PRC to the income tax expense at the Group's effective income tax rate for the year is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Profit before tax	701,323	655,112
Income tax at the statutory income tax rate of 25% (2024: 25%)	175,331	163,778
Effect of the preferential income tax rate	(62,276)	(51,994)
Expenses not deductible for tax	369	2,757
Additional deduction of research and development expenses	(4,541)	(5,259)
Adjustments in respect of current tax of previous periods	1,190	(5,237)
Effect of utilisation of unrecognised tax losses in prior years	(5,209)	(1,378)
Deductible temporary differences and tax losses not recognised	3,468	–
Income tax charge for the year	<u>108,332</u>	<u>102,667</u>
The Group's effective rate	<u>15.45%</u>	<u>15.67%</u>

8. DIVIDENDS

The dividends during the years ended 31 December 2025 and 2024 are set out below:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Dividends declared to owners of the parent	<u>151,326</u>	<u>314,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

8. DIVIDENDS (CONTINUED)

- (i) During 2025, the final dividend of RMB151,326,000 at RMB0.051 (2024: RMB0.076) per ordinary share (before tax) in respect of the year of 2024, based on the issued shares of the Company of 2,967,542,000 shares, was declared to owners of the parent (2024: RMB225,547,000). No Shareholder of the Company has waived or agreed to waive any dividends.

During 2024, the interim dividend of RMB88,953,000 at RMB0.03 per ordinary share (before tax) in respect of the year of 2024, based on the issued shares of the Company of 2,967,542,000 shares, was declared to owners of the parent.

On 27 March 2026, the Board proposed to distribute the final dividend of RMB251,351,000, representing RMB0.0847 per ordinary share (before tax) for the year ended 31 December 2025.

- (ii) Pursuant to the applicable provisions of the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation rules, the Company will withhold and pay enterprise income tax at the rate of 10% when it distributes final dividends to non-resident enterprise holders of H shares (including any H shares registered in the name of HKSCC Nominees Limited).

Pursuant to the applicable provisions of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules as well as the Tax Notice, the Company will withhold and pay individual income tax at the rate ranging from 10% to 20% on behalf of individual holders of H shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

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

The calculation of the basic earnings per share amount 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 years ended 31 December 2025 and 2024.

The Company did not have any potential dilutive shares in issue during the years ended 31 December 2025 and 2024. Accordingly, the diluted earnings per share amounts are the same as the basic earnings per share amounts.

The calculation of basic and diluted earnings per share is based on the following:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic/diluted earnings per share calculation	<u>573,466</u>	<u>549,061</u>
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares in issue during the year, used in the basic/diluted earnings per share calculation (<i>share</i>)	<u>2,967,542,000</u>	<u>2,967,542,000</u>
Earnings per share	2025	2024
Basic/diluted earnings per share	<u>RMB0.19</u>	<u>RMB0.19</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	5,197,320	6,731,955
Less: provision for impairment	<u>(397,888)</u>	<u>(366,038)</u>
	4,799,432	6,365,917
Bills receivables	<u>588,326</u>	<u>400,206</u>
	<u><u>5,387,758</u></u>	<u><u>6,766,123</u></u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally within one year. Each customer has a maximum credit limit. The Group seeks to maintain strict control over the outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

(a) Ageing analysis

An ageing analysis of the trade and bills receivables, based on the invoice date, at the end of the reporting period is as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	3,714,446	4,607,350
Between 1 and 2 years	532,935	700,828
Between 2 and 3 years	266,223	301,730
Over 3 years	1,272,042	1,522,253
	5,785,646	7,132,161
Less: provision for impairment	(397,888)	(366,038)
	<u>5,387,758</u>	<u>6,766,123</u>

(b) Impairment of trade receivables

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
At beginning of the year	366,038	333,490
Impairment losses, net	30,805	32,548
Amount written off as uncollectible	1,045	–
	<u>397,888</u>	<u>366,038</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (Continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9 *Financial Instruments*, which requires the use of the lifetime expected loss provision for trade receivables.

As at 31 December 2025, the gross carrying amounts of trade receivables from the related parties are RMB4,609,333,000 (2024: RMB6,039,601,000) which are mainly due from China Datang Group and certain associates and joint ventures of China Datang Group. The Group has assessed the expected losses for trade receivables from related parties by reference to the published credit rating of China Datang Group and the corresponding probability of default of 3.811% (2024: 1.775%). The loss given default was estimated to be 100%.

For the trade receivables from third parties, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and credit rating). The calculation reflects the probability-weighted outcome, and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

As at 31 December 2025

	Related parties	Within 1 year	Third parties			Subtotal	Individually assessed trade receivables (Note a)	Low risk portfolio	Total
			Between 1 and 2 years	Between 2 and 3 years	Over 3 years				
Expected credit loss rate	3.811%	0.56%	1.12%	2.51%	29.72%	7.07%	88.87%	-	7.66%
Gross carrying amount (RMB'000)	4,609,333	147,465	68,632	75,430	75,614	367,141	220,846	-	5,197,320
Expected credit losses (RMB'000)	<u>175,653</u>	<u>833</u>	<u>768</u>	<u>1,897</u>	<u>22,474</u>	<u>25,972</u>	<u>196,263</u>	<u>-</u>	<u>397,888</u>

As at 31 December 2024

	Related parties	Within 1 year	Third parties			Subtotal	Individually assessed trade receivables (Note a)	Low risk portfolio	Total
			Between 1 and 2 years	Between 2 and 3 years	Over 3 years				
Expected credit loss rate	1.775%	1.21%	2.28%	8.78%	48.63%	12.45%	87.63%	1.53%	5.44%
Gross carrying amount (RMB'000)	6,039,601	243,188	85,594	30,923	102,657	462,362	229,666	326	6,731,955
Expected credit losses (RMB'000)	<u>107,222</u>	<u>2,952</u>	<u>1,955</u>	<u>2,714</u>	<u>49,927</u>	<u>57,548</u>	<u>201,263</u>	<u>5</u>	<u>366,038</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

(b) Impairment of trade receivables (Continued)

Note a:

An overseas third-party company in India of which its subsidiary is a customer of the Group (the “**Indian Customer**”) is undergoing a proceeding of bankruptcy and reorganisation. The Group received the preliminary restructuring plan approved by National Company Law Appellate Tribunal, New Delhi during the year ended 31 December 2021. According to the restructuring plan and considering the present value, the expected accumulated credit loss is estimated to be RMB134,967,000.

An overseas third-party company in India, Gujarat State Electricity Corporation Limited, had a dispute over the receivables with the Group due to construction delays and some project performance factors. During the year ended 31 December 2023, the Indian Customer issued a formal notice stating that the Group’s construction progress had been delayed and filed a reverse claim to the Group accordingly. Considering the current situation, the management of the Group believes the receivables are less likely to be recovered, and therefore a full impairment provision of RMB3,730,000 was made.

In addition to the above two impairment provisions, there are five third-party receivables amounting to RMB57,566,000 (2024: three third-party receivables amounting to RMB55,503,000) that fully made impairment provision due to their low possibilities of recovery as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

(c) Transferred financial assets

Transferred financial assets that are derecognised in their entirety

As at 31 December 2025, the Group endorsed certain bills receivable to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB4,215,000 (2024: RMB22,176,000) (the “**Derecognised Bills**”).

The derecognised bills receivable had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the derecognised bills receivable have a right of recourse against the Group if the PRC banks default (the “**Continuing Involvement**”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the derecognised bills receivable. Accordingly, it has derecognised the full carrying amounts of the derecognised bills receivable and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the derecognised bills receivable and the undiscounted cash flows to repurchase these derecognised bills receivable is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the derecognised bills receivable are not significant.

During the years ended 31 December 2025 and 2024, the Group has not recognised any gain or loss on the date of transfer of the derecognised bills receivable. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

10. TRADE AND BILLS RECEIVABLES (CONTINUED)

(c) Transferred financial assets (Continued)

Transferred financial assets that are not derecognised in their entirety

As at 31 December 2025, the Group endorsed certain bills receivable accepted by banks and financial institutions of certain large central enterprises in Mainland China (the “**Endorsed Bills**”) with a carrying amount of RMB17,764,000 (2024: RMB10,141,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the “**Endorsement**”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables settled by the Endorsed Bills during the year to which the suppliers have recourse was RMB17,764,000 (2024: RMB10,141,000) as at 31 December 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

11. TRADE PAYABLES

Trade payables are non-interest-bearing and are normally to be settled within one year.

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables	<u>2,626,693</u>	<u>3,261,072</u>
	<u>2,626,693</u>	<u>3,261,072</u>

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

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	1,855,713	2,094,235
1 year to 2 years	301,011	336,439
2 years to 3 years	85,723	197,457
More than 3 years	<u>384,246</u>	<u>632,941</u>
	<u>2,626,693</u>	<u>3,261,072</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 December 2025

12. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS

	Effective interest rate	Maturity	31 December 2025 RMB'000	Effective interest rate	Maturity	31 December 2024 RMB'000
Current						
Bank borrowings:						
– unsecured	2.00%-3.00%	2026	1,786,542	2.10%-2.75%	2025	1,563,250
Other loans:						
– short-term bonds (<i>Note a</i>)	1.77%	2026	<u>500,000</u>	2.14%	2025	<u>500,000</u>
			<u>2,286,542</u>			<u>2,063,250</u>
Current portion of long-term bank borrowings and other loans						
Bank borrowings –unsecured	2.25%-3.45%	2026	660,200	2.35%-3.45%	2025	386,790
Lease liabilities	4.15%-4.75%	2026	<u>22,179</u>	4.15%-4.75%	2025	<u>21,325</u>
			<u>682,379</u>			<u>408,115</u>
			<u>2,968,921</u>			<u>2,471,365</u>
Non-current						
long-term bank borrowings and other loans:						
Bank borrowings –unsecured	2.45%-3.45%	2027–2031	222,147	2.35%-3.45%	2026–2030	1,257,306
Lease liabilities	4.15%-4.75%	2027–2040	<u>171,041</u>	4.15%-4.75%	2026–2040	<u>193,654</u>
			<u>393,188</u>			<u>1,450,960</u>
			<u>3,362,109</u>			<u>3,922,325</u>
Interest-bearing bank borrowings and other loans denominated in:						
– RMB			<u>3,362,109</u>			<u>3,922,325</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2025

12. INTEREST-BEARING BANK BORROWINGS AND OTHER LOANS (CONTINUED)

Note a: On 15 January 2025, 16 April 2025, 14 July 2025 and 15 October 2025, the Group issued four tranches of super short-term bonds with a par value of RMB100 amounting to RMB500 million each. The bonds had an annual effective interest rate of 1.79%, 1.84%, 1.53% and 1.77%, respectively. The first, second and third tranches of the super short-term bonds were already matured on 19 April 2025, 18 July 2025 and 16 October 2025, respectively. The fourth tranche of the super short-term bond will be matured on 10 July 2026.

The maturity profile of the interest-bearing bank borrowings and other loans as at the end of the reporting period is as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Analysed into:		
Bank borrowings repayable:		
On demand or within one year	2,446,741	1,950,040
In the second year	73,448	715,806
In the third to fifth years, inclusive	91,500	458,440
Beyond five years	57,200	83,060
	<u>2,668,889</u>	<u>3,207,346</u>
Other loans repayable:		
On demand or within one year	522,179	521,325
In the second year	23,067	25,125
In the third to fifth years, inclusive	74,492	69,749
Beyond five years	73,482	98,780
	<u>693,220</u>	<u>714,979</u>
Total	<u><u>3,362,109</u></u>	<u><u>3,922,325</u></u>

13. SHARE CAPITAL

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Shares		
Issued and fully paid:		
2,967,542,000 (2024 : 2,967,542,000) ordinary shares	<u><u>2,967,542</u></u>	<u><u>2,967,542</u></u>

MANAGEMENT DISCUSSION AND ANALYSIS

As a provider of environmental protection and energy conservation solutions for coal-fired power generation enterprises, the principal business of the Group includes environmental pollution treatment, environmentally-friendly product manufacturing, new energy technology service and resources recycling, etc. Customers of the Group spread over 30 provinces, autonomous regions and municipalities in the People's Republic of China (“PRC”) as well as eight overseas countries and districts.

I. INDUSTRY OVERVIEW

Summarizing the overall performance of the environmental protection industry in 2025, there are several major highlights and industry trends as follows:

1. Implementing the 15th Five-Year Plan Proposals to Build a Beautiful China

The Proposals of the Central Committee of the Communist Party of China on Formulating the 15th Five-Year Plan for National Economic and Social Development (《中共中央關於制定國民經濟和社會發展第十五個五年規劃的建議》), released in October, explicitly states: “Accelerate the comprehensive green transformation of economic and social development to build a beautiful China”. This includes: “accelerate the development of a new energy system; continuously increase the proportion of new energy supply, advance the secure, reliable and orderly replacement of fossil fuels, focus on building a new power system, and establish China as an energy powerhouse; actively and steadily advance and achieve carbon peaking. Implement a dual-control system for carbon emissions volume and intensity; and deepen the implementation of energy-saving and carbon-reduction transformation”, which has strengthened the Company's resolve for green transformation and development, providing guidance for subsequent expansion into new business directions such as green and low-carbon initiatives, energy conservation, and carbon reduction.

2. Strengthening and Expanding Equipment Renewal to Promote Circular Economy Development

In 2025, the National Development and Reform Commission and the Ministry of Finance issued the Notice on Intensifying and Expanding the Implementation of Large-Scale Equipment Renewal and Consumer Goods Replacement Policies in 2025 (《關於2025年加力擴圍實施大規模設備更新和消費品以舊換新政策的通知》), which calls for strengthening recycling and circular utilisation capacity building. Funding from ultra-long-term special treasury bonds will continue to support high-level recycling and circular utilisation projects. Scientific research into major technological equipment for recycling and circular utilisation will be intensified, fostering a cohort of leading enterprises in resource circulation. Standards provision in resource recycling will be strengthened, with research into developing recycling, dismantling, and circular utilisation standards for key areas such as decommissioned new energy equipment and retired power batteries. This will further advance high-quality development in the resource recycling sector, presenting additional opportunities for the Company in thermal power and new energy equipment renewal, resource recovery, and circular economy operations.

3. Focusing on Energy-saving and Carbon-reduction Technologies to Drive Green and Low-carbon Development

In February 2025, the National Energy Administration issued the 2025 Energy Work Guidance (《2025年能源工作指導意見》), and in March released the Implementation Plan for the Special Action on Upgrading New-Generation Coal-Fired Power Generation (《新一代煤電升級專項行動實施方案》). These documents explicitly call for in-depth research and planning of strategies and measures to reduce carbon emissions from coal-fired power generation, the continued promotion of the “three-pronged reform” in the sector, and further driving the development and demonstration of clean and low-carbon technologies for coal-fired power generation. In June 2025, the National Development and Reform Commission issued the Notice on the Construction of Zero-Carbon Industrial Parks (《關於開展零碳園區建設的通知》), and in December released the list of first batch national-level zero-carbon industrial parks. This supports eligible regions in taking the lead to establish a number of zero-carbon industrial parks, gradually improving relevant planning and design, technical equipment, business models and management standards, and advancing the low-carbon and zero-carbon transformation of various industrial parks in a planned and phased manner. The above policies provide a framework for the Company to accelerate the advancement of green and low-carbon businesses, such as coal-fired power decarbonisation and integrated energy.

II. BUSINESS OVERVIEW

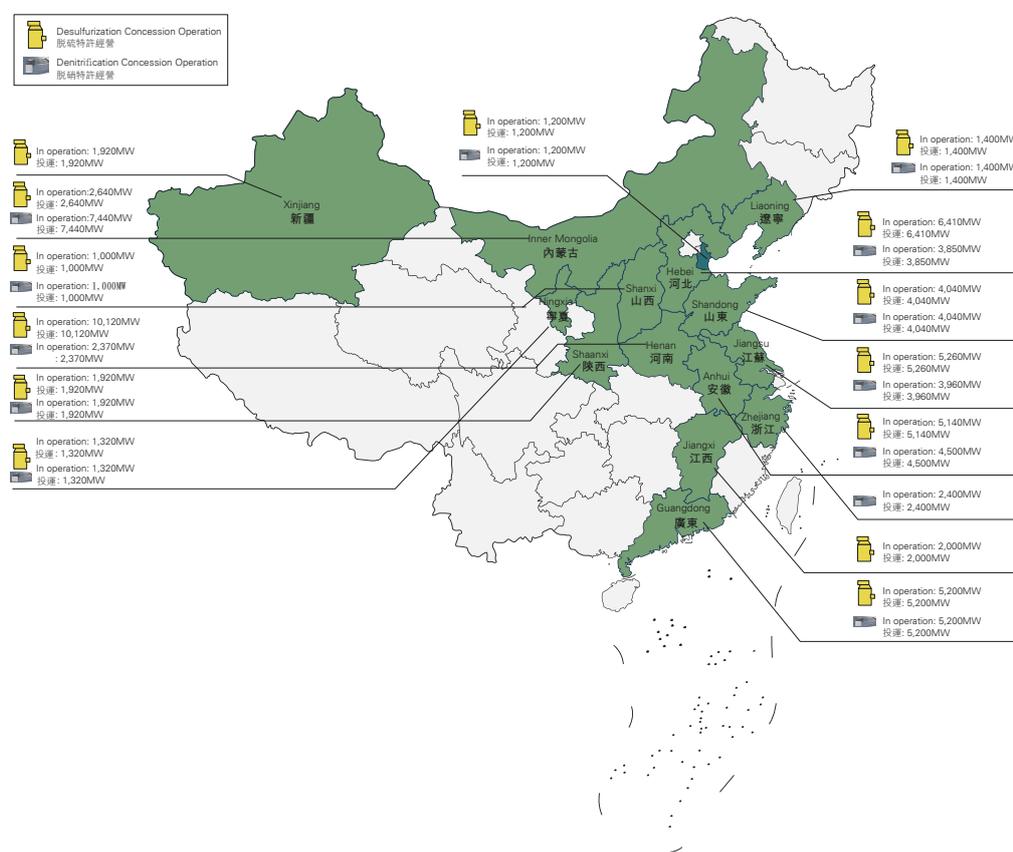
In 2025, the Group recorded steady development in each business segment and maintained the leading position in business segments of environmental protection facility concession operation and denitrification catalysts. Based on the cumulative operating unit capacity as of the end of 2025, the Group continued to maintain its position as the largest flue gas desulfurization and denitrification concession operator in the PRC. Based on the total output of denitrification catalysts in 2025, the Group remained as the PRC's largest producer of denitrification catalysts.

1. Environmental Pollution Treatment Business

1.1 Environmental protection facility concession operation business

The Group's environmental protection facility concession operation business covers desulfurization and denitrification concession operations and its major assets are located along east coast and in areas with relatively robust economic development and strong demands for electricity.

The following chart shows the geographical layout and cumulative capacity of the Group's concession and commissioned operation as at 31 December 2025:



As at 31 December 2025, the cumulative installed capacity in operation for desulfurization concession operations of the Group reached 47,610MW. The cumulative installed capacity in operation for denitrification concession operations reached 40,600MW and the installed capacity of the desulfurization entrusted operation projects reached 1,960MW. Among them, there are five projects other than China Datang Group, with the desulfurization installed capacity of 7,060MW and denitrification installed capacity of 3,180MW.

The table below sets forth the status of the Group's desulfurization and denitrification concession and commissioned operation projects as at 31 December 2025:

Project location	Project name	Category of concession operation	Installed capacity (MW)
Guangdong	Chaozhou	Desulfurization and	3,200
	Leizhou	Desulfurization and denitrification	2,000
Jiangsu	Lvsigang	Desulfurization and denitrification	2,640
	Nanjing	Desulfurization and denitrification	1,320
	Xutang	Desulfurization	1,300
Shandong	Huangdao	Desulfurization and denitrification	1,340
	Binzhou	Desulfurization and denitrification	700
	Dongying	Desulfurization and denitrification	2,000
Zhejiang	Wushashan	Denitrification	2,400
Ningxia	Pingluo*	Desulfurization and denitrification	1,320
Henan	Xuchang	Desulfurization	2,020
	Sanmenxia	Desulfurization and denitrification	2,950/1,050
	Anyang	Desulfurization	1,270
	Shouyangshan	Desulfurization	600

Project location	Project name	Category of concession operation	Installed capacity (MW)
	Xinyang (entrusted)	Desulfurization	1,960
	Gongyi	Desulfurization and denitrification	1,320
Hebei	Wangtan	Desulfurization and denitrification	1,200
	Zhangjiakou Thermal Power	Desulfurization and denitrification	630
	Zhangjiakou	Desulfurization	2,560
	Yuxian	Desulfurization and denitrification	1,320
	Tangshan Beijiao	Desulfurization and denitrification	700
Tianjin	Jixian	Desulfurization and denitrification	1,200
Anhui	Luohe*	Desulfurization and denitrification	1,860
	Ma'anshan	Desulfurization and <u>denitrification</u>	1,320
	Hushan	Desulfurization and denitrification	1,320
	Tianjia'an	Desulfurization	640
Shaanxi	Binchang	Desulfurization and denitrification	1,260
	Baoji	Desulfurization and denitrification	660
Inner Mongolia	Tuoketuo	Desulfurization and denitrification	1,320/6,120
	Xilinhote	Desulfurization and denitrification	1,320
Jiangxi	Fuzhou	Desulfurization	2,000
Shanxi	Shentou	Desulfurization and denitrification	1,000
Xinjiang	Hutubi*	Desulfurization	600
	Wu Cai Wan*	Desulfurization	1,320
Liaoning	Shendong	Desulfurization and denitrification	700
	Huludao	Desulfurization and denitrification	700

Note: The projects marked with * are projects other than China Datang Group.

1.2 Environmental protection facility engineering business

In 2025, the Group continued to carry out its environmental protection facility engineering business, including desulfurization, denitrification, dust removal, ultra-low emission and industrial site dust management.

The following table sets forth the breakdown of the environmental protection facility engineering business in the power industry of the Group as at 31 December 2025:

Project type	Projects awarded and newly signed in 2025		Projects under construction as of the end of 2025	
	Number	Amount (RMB million)	Number	Amount (RMB million)
Desulfurization	2	246.48	9	1,119.39
Denitrification	1	26.32	2	76.05
Dust removal	3	375.97	5	566.33
Others	3	160.80	0	0

1.3 Water treatment business

In 2025, the Group entered into 12 contracts for water treatment projects, with a total contract amount of RMB201 million. Regarding the commercialisation of desulphurisation wastewater zero-discharge technology, the Group, supported by its core technological capabilities, successfully expanded into non-affiliated markets. This resulted in securing two EPC contracts for wastewater zero-discharge projects with China Coal Jingyuan Power Generation Co., Ltd.* (中煤靖遠發電有限公司) and Jiangsu Huaiyin Power Generation Co., Ltd.* (江蘇淮陰發電有限責任公司), respectively. In new business development, the Group successfully secured its first mine water treatment project, the Kongduigou Coal Mine Water Project. It also won the Lvsi Make-up Water Project, thereby laying the groundwork for expanding into related markets across multiple industries.

2. Environmental Products Manufacturing Business

2.1 Denitrification catalysts business

In 2025, the Group's catalyst business achieved an increase in sales volume and delivery volume as compared with 2024. The following table sets forth the breakdown of the key figures of the Group's plate-type and cellular-type denitrification catalysts business:

Category	Production volume	Sales volume ⁽¹⁾	Delivery volume ⁽²⁾	<i>(Unit: m³)</i>
				Delivery volume to customers other than China Datang Group
Plate-type	31,006.01	31,045.44	31,695.20	14,308.58
Cellular-type	10,908.49	15,341.17	9,961.04	5,309.81
Total	41,914.51	46,386.61	41,656.24	19,618.39

(1) The 2024 sales volume data included quantities of spent catalyst disposal. To maintain consistency with production volume data, this year's sales volume figures exclude quantities of spent catalyst disposal.

(2) The 2024 delivery volume data included quantities of spent catalyst disposal. To maintain consistency with production volume data, this year's delivery volume figures exclude quantities of spent catalyst disposal.

In 2025, the Group sold 23,433.97 m³ of catalyst to non-affiliated customers, representing a year-on-year increase of 15.54%. The Group entered into 130 contracts, representing an increase of 4 contracts year-on-year, among which, 2 contracts were entered into with overseas customers with the aggregate sales volume of 485.39 m³, while 48 contracts were entered into with customers from non-electric industry such as glass building materials and alumina sectors with the aggregate sales volume of 2,008.29 m³. The Group made steady progress in the disposal of waste catalysts with a total amount of 15,040.36 m³ of waste catalysts disposed in 2025.

In 2025, the Group made new breakthroughs in the research and development of novel, high-value-added catalyst products, with the mass production of the 134-pore high-porosity denitration catalyst for gas turbines. This development broke foreign monopolies and filled the domestic gap in both the technology and production capacity for this type of catalyst. The Group successfully established a technical roadmap for marine catalysts, with both the 55-mesh standard version and the 72-mesh upgraded version of honeycomb catalysts now ready for mass production. It signed its first customised SCR technical agreement for the marine sector, continuing to make inroads into the market for novel, high-value-added catalysts.

2.2 *Carbon monitoring business*

In 2025, the Group has undertaken specialised research into core carbon monitoring system technologies with the objective of achieving domestic substitution and autonomous control. Concurrently, we have completed product development across three technical pathways: dilution method, cold-dry TDLAS, and in-situ TDLAS, expanding our product portfolio. This has resulted in the development of standardised products with proprietary intellectual property rights. These innovations have been selected for the State-owned Assets Supervision and Administration Commission of the State Council's Catalogue of Recommended Scientific and Technological Innovation Achievements of Central Enterprises (2024 Edition) (《中央企業科技創新成果推薦目錄(2024年版)》). The Group has obtained the CCEP certificate for environmental protection products for its continuous carbon dioxide monitoring system and the CPA certificate for type approval of measuring instruments. The complete set of technologies has been appraised as internationally leading, has been piloted on a cumulative total of 11 units, and has secured one pilot project with a non-affiliated party.

3. *Renewable Energy Business*

3.1 *Engineering design and technology service*

In 2025, the Group successfully obtained the preliminary evaluation certificate for Grade B engineering consultancy qualifications in the power sector, further enhancing its capabilities in new energy design and further expanding its scope of business. Throughout the year, the Group undertook 133 renewable energy design engagements and signed 32 design and technical service contracts, representing a 113% increase over the previous year. The total contract value reached RMB41.2606 million, marking a 253% increase compared to the preceding year.

3.2 Distributed photovoltaic business

By the end of 2025, the Group had 15 operational distributed photovoltaic projects with a total installed capacity of 19.27MW, generating an annual electricity output of 20,977,200 kWh.

4. Wind Turbine Blade Environmentally-friendly Recycling and Resource Circulation and Utilisation Business

4.1 New Energy Solid Waste Resource Recycling Business

In 2025, the “National Science and Technology Major Project on Comprehensive Environmental Governance in the Beijing-Tianjin-Hebei Region – Research and Demonstration of Key Technologies for the Construction of a Green Circular Chain for Retired Wind and Solar New Energy Power Generation Equipment”(“京津冀環境綜合治理國家科技重大專項—退役風光新能源發電設備綠色循環鏈構建關鍵技術研究及示範”) was successfully approved and initiated. This project, successfully led by the Group through open competition, is a national-level technological special project in the field of new energy solid waste. The project covers aspects such as system planning, resource utilization of retired wind turbines and photovoltaics, and the demonstration of green circular chain construction for retired wind and solar new energy power generation equipment. The project plans to tackle core technologies including precise prediction, eco-friendly dismantling, high-value utilization, industrial demonstration, and whole-process control. It aims to develop independent intellectual property rights, establish scale disposal production lines with annual processing capacity of 10,000 tonnes for retired wind turbine blades and PV modules, construct a green circular chain, and promote the development of the solid waste source governance system.

4.2 Traditional Solid Waste Comprehensive Utilisation Business

In 2025, the Group continued to explore new approaches to the comprehensive utilisation of bulk solid waste. Relying on the mine pit of Shunxing Coal Mine in Hulunbuir City, Inner Mongolia Autonomous Region, the Group built a solid waste disposal site, which is scheduled to commence construction in 2026 and be commissioned in 2027. Upon completion, it will achieve an annual production capacity of 824,000 tonnes for the comprehensive utilisation of bulk industrial solid waste such as fly ash and gypsum, establish a closed-loop system integrating mine pit governance, solid waste disposal and ecological restoration, and form a replicable and scalable business model.

5. Research and Development

In 2025, the Group was awarded 41 patent authorizations in aggregate, including 18 invention patents, bringing the cumulative number of patents to 1,391 as of the end of 2025, and had taken the lead in the preparation and publication of five international standards.

In 2025, the project Key Technologies and Engineering Demonstration of Chemical Looping Combustion for Power Generation (化學鏈燃燒發電關鍵技術及工程示範), led by the Group under the National Key R&D Program, was selected into the fifth batch of major first-set technical equipment in the energy sector issued by the National Energy Administration. The independently developed complete set of high-efficiency treatment technology for desulfurization wastewater under full load (脫硫廢水全負荷高效處理成套技術) was appraised as having reached an internationally leading standard. The projects titled “R&D and Application of Anti-poisoning Low-sulfur Oxidation Denitration Catalysts and Adaptive Regeneration Technology (《抗毒性低硫氧化脫硝催化劑與適配型再生技術研發及應用》)” “Development and Application of Key Technologies for the Treatment of Wastewater from the Regeneration of Flue Gas Denitration Catalysts in Coal-fired Power Plants (《燃煤電廠煙氣脫硝催化劑再生廢水處理關鍵技術開發與應用》)”, and “Development and Application of Multi-functional Denitration Catalyst Performance Evaluation Devices (《多功能脫硝催化劑性能評價裝置開發與應用》)” respectively won the Electric Power Science and Technology Progress Award(電力科學技術進步獎), the 2025 Power Generation Industry Water Treatment Technology Innovation Achievement (Five-Star) (2025年發電行業水處理技術創新成果(五星)), and the 2025 Electric Power Industry Chemical Professional Technology Innovation Achievement (Three-Star) (2025年電力行業化學專業技術創新成果(三星)).

III. MANAGEMENT DISCUSSION AND ANALYSIS ON FINANCIAL POSITION AND OPERATING RESULTS

There are inter-segment sales among the Group's segments and sub-segments, and accordingly the Group records intra-segment elimination and inter-segment elimination among these segments/sub-segments for the relevant revenue and cost of sales. In this results announcement, unless otherwise specified herein, (i) all discussion about total revenue, total gross profit and overall gross profit margin are based on the amounts after all intra- and inter-segment elimination among the segments and sub-segments (being the figures reflected in our consolidated statement of profit or loss and other comprehensive income), and (ii) all discussion about the revenue, gross profit and gross profit margin of business segments and sub-segments are based on the amounts before any intra- or inter-segment elimination of such segment or sub-segment.

1. Overview

The Group's revenue decreased by 6.4% from RMB5,770.9 million in 2024 to RMB5,400.9 million in 2025. The Group's profit for 2025 amounted to RMB593.0 million, representing an increase of RMB40.5 million, or 7.3%, as compared with RMB552.4 million in 2024. Profit attributable to owners of the parent amounted to RMB573.5 million. The Group's cash and cash equivalents increased by 84.1% to RMB1,831.2 million as at 31 December 2025 as compared with RMB994.7 million as at 31 December 2024. The Group's total assets decreased by 4.5% to RMB14,652.6 million as at 31 December 2025 as compared with RMB15,348.1 million as at 31 December 2024. The Group's total liabilities decreased by 14.4% to RMB6,712.7 million as at 31 December 2025 as compared with RMB7,838.5 million as at 31 December 2024. The Group's return on total assets for 2025 was 4.0%, as compared with 3.6% in 2024.

2. Results of Operations

2.1 Revenue

The Group's revenue decreased by 6.4% to RMB5,400.9 million in 2025 as compared with RMB5,770.9 million in 2024, primarily due to the decrease in revenue of renewable energy engineering.

2.2 Cost of sales

The Group's cost of sales decreased by 7.3% to RMB4,210.5 million in 2025 as compared with RMB4,541.5 million in 2024, mainly due to the decrease in cost of engineering business.

2.3 Selling and distribution expenses

The Group's selling and distribution expenses decreased by 37.3% to RMB16.3 million in 2025 as compared with RMB26.0 million in 2024. This was primarily due to the decrease in expenses such as intermediary fees, traveling expenses, and entertainment expenses.

2.4 Administrative expenses

The Group's administrative expenses increased by 0.8% to RMB465.0 million in 2025 as compared with RMB461.2 million in 2024. This was mainly due to the increase of the Company's personnel and labor dispatch personnel.

2.5 Other income and losses

The Group's other income increased to RMB117.9 million in 2025 as compared with RMB100.2 million in 2024. This was mainly due to the decrease in the loss on disposal of property, plant and equipment of the year.

2.6 Other expenses, net

In 2025, the Group's other expenses amounted to RMB0, unchanged from RMB0 in 2024.

2.7 Finance costs

The Group's finance costs decreased by 40.5% to RMB86.0 million in 2025 as compared with RMB144.6 million in 2024, mainly due to the decrease in bank loan interest.

2.8 Profit before tax

As a result of the foregoing factors, the Group's profit before tax increased by 7.1% to RMB701.3 million in 2025 as compared with RMB655.1 million in 2024.

2.9 Income tax expense

The Group's income tax expense was RMB108.3 million in 2025, representing an increase of 5.5% from RMB102.7 million in 2024.

2.10 Profit for the year

The Group's profit for the year increased by RMB40.5 million from RMB552.4 million in 2024 to RMB593.0 million in 2025. For the year ended 31 December 2025, the Group's profit for the year as a percentage of its total revenue increased to 11.0% as compared with 9.6% in 2024.

2.11 Profit attributable to owners of the parent

The profit attributable to owners of the parent increased by RMB24.4 million to RMB573.5 million in 2025 as compared with RMB549.1 million in 2024.

2.12 Profit attributable to non-controlling interests

Profit or loss attributable to non-controlling interests of the Group increased by 473.5% from a profit of RMB3.4 million in 2024 to a profit of RMB19.5 million in 2025. The increase was mainly due to the turnaround of a non-wholly owned subsidiary, China Datang Technologies & Engineering Co., Ltd., which improved from a loss in 2024 to a profit of in 2025.

3. Results on Business Segments

The following table sets forth a breakdown of the Group's revenue by each business segment or sub-segment and their respective percentage of total revenue for the years ended 31 December 2025 and 2024, as well as the percentage of change:

	Year ended 31 December				Change %
	2025	2024	Percentage of total revenue before elimination ⁽¹⁾	Percentage of total revenue before elimination ⁽¹⁾	
	Revenue <i>RMB'000</i>	Revenue <i>RMB'000</i>	%	%	
Environmental Protection and Energy Conservation Solutions:					
Total revenue of environmental protection and energy conservation solutions before elimination	5,629,114	5,699,614	97.6	94.7	2.9
Intra-segment elimination ⁽²⁾	(312,889)	(202,146)			54.8
Total revenue of environmental protection and energy conservation solutions after intra-segment elimination	5,316,225	5,497,468			(3.3)
Inter-segment elimination	-	-			-
External revenue of environmental protection and energy conservation solution	5,316,225	5,497,468			(3.3)
Renewable Energy Engineering:					
Total revenue of renewable energy engineering	62,082	252,259	1.1	4.2	(3.1)
Inter-segment elimination	-	-			-
External revenue of renewable energy engineering	62,082	252,259			(75.4)
Thermal Power Engineering:					
Total revenue of thermal power engineering	-	-	0.0	0.0	-
Inter-segment elimination	-	-			-

	Year ended 31 December				Change %
	2025	Percentage of total revenue before elimination ⁽¹⁾ %	2024	Percentage of total revenue before elimination ⁽¹⁾ %	
	Revenue RMB'000		Revenue RMB'000		
External revenue of thermal power engineering	-		-		-
Other Businesses:					
Total revenue of other businesses	74,115	1.3	68,756	1.1	0.2
Inter-segment elimination ⁽³⁾	(51,548)		(47,577)		8.3
External revenue of other businesses	22,567		21,179		6.6
Total revenue before elimination ⁽⁴⁾	5,765,311	100	6,020,629	100	(4.2)
Total intra- and inter-segment elimination ⁽⁵⁾	364,437		249,723		45.9
Total revenue	5,400,874		5,770,906		(6.4)

Notes:

- (1) Represents the revenue of each segment or sub-segment (before any intra- or inter-segment elimination) as a percentage of the total revenue before any intra- or inter-segment elimination.
- (2) Intra-segment elimination of revenue from sub-segments under environmental protection and energy conservation solutions segment mainly arises from the intra-segment sales between denitrification catalysts sub-segment to energy conservation sub-segment and environmental protection facility concession operation, respectively.
- (3) Inter-segment elimination of revenue from other business segments mainly arises from the inter-segment sales between other businesses and environmental protection and energy conservation solutions.
- (4) Represents the aggregate amount of the revenue of all segments/sub-segments before any intra- or inter-segment elimination.
- (5) Represents the aggregate amount of all intra- and inter-segment elimination.

The following table sets forth a breakdown of the Group's gross profit and gross profit margin of each segment or sub-segment for the years ended 31 December 2025 and 2024, as well as the percentage of change in gross profit:

	Year ended 31 December				
	2025		2024		
	Gross profit ⁽¹⁾	Gross profit margin ⁽²⁾	Gross profit ⁽¹⁾	Gross profit margin ⁽²⁾	Change of gross profit
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	%
Total gross profit of environmental protection and energy conservation solutions	1,278,251	24.0	1,276,229	23.2	5.8
Total gross profit of renewable energy engineering	14,405	23.2	81,734	32.4	8.1
Total gross profit of thermal power engineering	-	-	-	-	-
Total gross profit of other businesses	(102,235)	(453.0)	(128,515)	(606.8)	153.8
Total gross profit and overall gross profit margin⁽³⁾	1,190,421	22.0	1,229,448	21.3	6.2

Notes:

- (1) Calculated based on the revenue of each segment or sub-segment (before any intra- or inter-segment elimination) minus the cost of sales of such segment or sub-segment (before any intra- or inter-segment elimination).
- (2) Calculated based on the gross profit of each segment or sub-segment calculated according to note (1) divided by the revenue of such segment or sub-segment (before any intra- or inter-segment elimination).
- (3) Total gross profit equals total revenue (being the revenue reflected on our consolidated statement of profit or loss and other comprehensive income) minus total cost of sales (being the cost of sales reflected on our consolidated statement of profit or loss and other comprehensive income). Overall gross profit margin equals total gross profit divided by total revenue.

4. Cash Flows

As at 31 December 2025, the Group's cash and cash equivalents increased by 84.1% to RMB1,831.2 million as compared with RMB994.7 million as at 31 December 2024, mainly attributable to the increase in the cash flow generated from operating activities of the Group.

5. Working Capital

As at 31 December 2025, the Group's net current assets decreased by 8.3% to RMB2,033.0 million as compared with RMB2,217.6 million as at 31 December 2024, primarily due to the increase in liabilities such as short-term interest-bearing bank borrowings and other loans.

6. Indebtedness

As at 31 December 2025, the Group's borrowings decreased by 14.3% to RMB3,362.1 million as compared with RMB3,922.3 million as at 31 December 2024, mainly attributable to improved operating cash inflows, which enabled the Group to repay more borrowings during the year.

7. Capital Expenditure

The Group's capital expenditure decreased by 50.7% to RMB112.6 million in 2025 as compared with RMB228.6 million in 2024. Capital expenditure mainly comprises costs of long-term assets including acquisition or construction of property, plant and equipment and intangible assets. The decrease in capital expenditure mainly reflected the Group's actual operational needs.

8. Financial Ratios

The following table sets forth certain of our financial ratios as at the dates and for the periods indicated:

	As at 31 December	
	2025	2024
Current ratio	132.5%	135.0%
Quick ratio	129.2%	131.0%
Liabilities to assets ratio	45.8%	51.1%
Leverage ratio	35.7%	70.8%
Return on total assets	4.0%	3.6%
Return on equity	7.5%	7.4%

9. Significant Investment

For the year ended 31 December 2025, the Group made no significant investment.

10. Material Acquisition and Disposal

For the year ended 31 December, 2025, the Group had no material acquisition and disposal.

11. Future Plan for Material Investments or Capital Assets

The Company has no future plans for significant investments or capital assets as at the date of this results announcement.

12. Charged and Pledged Assets

As at 31 December 2025, no assets were pledged to secure interest-bearing bank borrowings and other loans for the Group.

13. Contingent Liabilities

On 6 March 2020, Technologies & Engineering Company signed a construction contract with NLC India Limited (“**NLC India**”). Due to the impact of COVID-19, the construction progress was delayed, and NLC India issued a formal notice to request to terminate the contract and redeem the performance guarantee letter amounting to RMB47,303,000. In addition, the claims brought by NLC India also include the costs incurred in re-tendering and the arbitration progress. The Group fully accrued a provision of RMB47,303,000 for the request of redeeming the performance guarantee letter, and incurred other expenses of RMB47,303,000 for the year ended 31 December 2021 accordingly. During the year ended 31 December 2022, the performance guarantee letter of RMB47,303,000 has been fully redeemed. The likelihood of occurrence of other compensations about these contract disputes cannot be estimated reliably.

14. Exposure to Fluctuation in Exchange Rate

Foreign currency risk primarily arises from certain significant foreign currency deposits, trade receivables, and trade payables denominated in United States Dollars (“**USD**”), Hong Kong Dollars (“**HKD**”), and Indian Rupee (“**INR**”).

The treasury management department of the Group closely monitors the international foreign currency market on the change of exchange rates and takes this into consideration when placing foreign currency deposits and taking out loans. As at 31 December 2025, the Group had significant exposure to INR.

The Group has transactional currency exposures which arise from sales or purchases by operating units in currencies other than the units’ functional currencies. The exposure was insignificant for the years ended 31 December 2025 and 31 December 2024.

IV. RISK FACTORS AND RISK MANAGEMENT

Risks on environmental protection and energy conservation policies

The Group provides substantially all of its products and services in the PRC, and the development of Group's business is greatly dependent on the environmental protection policies of the PRC.

Environmental protection industry is one of the major industries that benefit from the constant support of the PRC government. The market demand for the Group's environmental protection and energy conservation products and services and the revenue generated therefrom are directly affected by the environmental protection policies of the PRC. However, there is no assurance that such policies will continue to be available to the Group or there will be no adverse change. If there is any adverse change, it may result in a material and adverse effect on the business prospects, results of operations and financial condition of the Group. The management of the Group is of the view that, given the severity of pollution in the PRC, it is unlikely for the PRC government to revise such environmental protection policies regarding the adverse effect or to withdraw any resources invested in the environmental protection industry. Moreover, the Group, as a trendsetter and leader of the environmental protection and energy conservation for the PRC's electric power industry, has participated in the formulation of various industrial policies and standards, which allows it to catch the latest industry trends and respond in a timely fashion.

Risks on connected transactions with China Datang Group and its connected persons

The Group has been conducting various transactions with China Datang Group and its connected persons, and will continue to enter into such transactions in the future. For the year ended 31 December 2025, the total value of goods sold and services provided by the Group to China Datang Group and its connected persons was approximately RMB4,638.4 million, representing approximately 85.9% of the total revenue of the Group. For the year ended 31 December 2025, the total value of goods purchased and services received by the Group from China Datang Group and its connected persons was approximately RMB1,805.6 million, representing approximately 42.9% of the total cost of the Group. The Group has been actively expanding its client base. For example, during 2025, the Group entered into contracts in the amount of RMB468 million with clients other than China Datang Group and its connected persons, representing approximately 27% of the total contract amount of the Group.

Liquidity risks

The Group had operating cash flows of RMB1,904.3 million for the year ended 31 December 2025. The Group cannot assure that its operating cash flow for any future period will be positive. The Group's ability to generate adequate cash inflows from operating activities in the future will depend largely on project schedule and billing arrangement, its ability to collect receivables from customers in a timely manner and the credit terms available to the Group. If the Group is not able to generate sufficient cash flows from operations or obtain sufficient financing to support its business operation, the Group's growth prospects may be materially and adversely affected. The Group plans to implement diversified measures to collect receivables in order to improve operating cash flow. In addition, the Group has been proactively seeking financing to support the development and expansion of its business. As at 31 December 2025, the Group had available bank facilities of RMB20.2 billion.

Industry risks

The Group's business primarily focuses on the environmental protection and energy conservation for coal-fired power plants, and therefore the market demand for the Group's environmental protection and energy conservation business relies heavily on the growth rate of the coal-fired power generation output in the PRC. In particular, the revenue generated from concession operations will be directly affected by the power generation output of coal-fired power plants. As pollution has become an increasingly severe environmental issue in the PRC, the PRC government has shown considerable concern for the adjustment to the national energy structure and development. Therefore, there can be no assurance that coal-fired power generation output in the PRC will continue to grow at the current pace. If the increase in coal-fired power generation output in the PRC slows down, it may result in a decrease in utilization hours of coal-fired power generation units, or a lower demand for the Group's products and services, which in turn will materially and adversely affect our business prospects, results of operations and financial position. The management of the Group is of the view that, in terms of the power generation portfolio in the PRC, coal-fired power generation still dominates the market. In addition, the vast majority of the Group's concession operations locate in coastal areas and economically developed areas, where the utilization hours of coal-fired power generation are higher than the average level nationwide. The Group plans to actively explore clients in the iron and steel, cement and petrochemical industries.

V. OUTLOOK ON THE GROUP'S FUTURE DEVELOPMENT

Facing the complex and ever-changing industry landscape and development environment, the Group will focus on the following four aspects:

1. Continuously consolidating the scale advantages of traditional environmental protection businesses

Regarding environmental protection as the foundation of the enterprise, the Group will focus on scale efficiency and the establishment of industry benchmarks. We will leverage our professional advantages in concession operations to continuously tackle tough challenges in energy and material consumption indicators, striving to achieve the highest standards in the industry. We will rigorously implement the national deployment for the large-scale renewal of equipment, closely align with the coordinated advancement of the three retrofits for coal-fired power units, and comprehensively enhance the peak-regulating capacity and operational efficiency of such units. Furthermore, we will continue to strengthen the market competitiveness of our environmental engineering business, relying on core technologies to raise the standard of engineering management, consolidate the full-process engineering management system, and deliver premium engineering projects. Taking the Kongduigou Project as an opportunity, we will accumulate engineering experience and build a strong reputation to expand our mine water treatment business.

2. Striving to build a leading enterprise in the catalyst manufacturing industry

We will deepen the collaborative innovation mechanism between the two catalyst production bases, stabilize the industrial chain foundation through plate-type business while filling industrial gaps with honeycomb technology to create a "1+1 > 2" effect. We will accelerate the product upgrading and market promotion of high-porosity gas turbine catalysts and marine catalysts, improve the industrial supply chain for denitration catalysts, break through bottleneck technologies, and increase the market share of high-end products. Aligning closely with the strategic direction of the dual carbon goals, we will fully leverage the demonstration and leading role of carbon monitoring pilot projects, steadily advance the implementation of the second batch of pilot projects, and continuously expand the coverage of carbon monitoring systems. We will holistically promote the on-site application of scientific and technological achievements including online coal quality monitoring, limestone slurry monitoring and wind turbine blade monitoring, and realize the clustered development of digital and intelligent environmental testing products.

3. Accelerating the construction of engineering service capabilities centered on new energy design

We will take new energy design business as the driver to boost the improvement of full-process technical service capabilities and provide one-stop, full-chain technical services for the new energy sector. We will optimize the allocation of professional resources, speed up the construction of a talent pipeline in the field of new energy design, and bridge professional technical gaps with high standards. We will continue to advance the construction of the qualification system by expediting the application and acquisition process of key qualifications such as the Class B Qualification for Engineering Design in the Electric Power Industry (Wind Power Generation) (《電力行業工程設計(風力發電)乙級資質》), thereby broadening business boundaries and building a new engineering service system centered on new energy design, gradually emerging as a backbone force supporting the development of large new energy bases.

4. Accelerating the layout of strategic emerging industries centered on resource recycling

The Group will focus on integrating the industrial chains for the recycling of new energy solid waste and desulfurization gypsum, accelerate the implementation of high-quality demonstration projects and aim to build a core platform for resource recovery and reuse. We will steadily advance the implementation of the National Science and Technology Major Project for Environmental Governance in the Beijing-Tianjin-Hebei Region, deliver a series of technological achievements in the eco-friendly recycling and resource circular utilisation of wind turbine blades and photovoltaic modules, and continuously raise the industry's technical discourse power. Relying on scitech projects, we will integrate capacity resources and establish a full-process, traceable and multi-scenario solid waste disposal system. On the premise of ensuring the on-schedule construction start and commissioning of the solid waste disposal site project at Shunxing Coal Mine, we will replicate and promote the business model of large-scale absorption of bulk industrial solid waste through mine backfilling and ecological restoration. We will fully leverage the Group's distinctive strengths in new energy design, investment and operation, actively develop the "zero-carbon park" business, participate in formulating the construction standards for zero-carbon parks, and foster and expand green productive forces.

REPURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

For the year ended 31 December 2025, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**")). As at 31 December 2025, no treasury shares were held by the Company.

PROPOSED 2025 FINAL DIVIDEND

On 27 March 2026, the Board passed the resolution for the proposed distribution of the 2025 final dividend of RMB251,351,000, representing RMB0.0847 per ordinary share of the Company (before tax) for the year ended 31 December 2025 (the "**Proposed 2025 Final Dividend**") (for the year ended 31 December 2024: RMB151,326,000, representing RMB0.051 per share).

The Proposed 2025 Final Dividend is subject to the approval by the shareholders of the Company at the 2025 annual general meeting (the "**2025 AGM**") to be convened by the Company. The date of the 2025 AGM, the record date, the book closure period for the shares for payment of the Proposed 2025 Final Dividend and further details of the Proposed 2025 Final Dividend will be announced separately by the Company.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE SET OUT IN APPENDIX C1 TO THE LISTING RULES

The Company has always been committed to improving corporate governance since its establishment. According to provisions of the Corporate Governance Code (the "**Code**") set out in Appendix C1 to the Listing Rules, it has established a modern corporate governance structure comprising a number of independently operated bodies including the general meetings, the Board, the supervisory committee and the senior management of the Company in order to provide an effective check and balance. The Company has also complied with the code provisions set out in the Code, which have been adopted as its own corporate governance practices.

For the year ended 31 December 2025, the Company was not involved in any material litigation liable by any Director. Each Director has the necessary qualification and experience required for performing his/her duty. The Company has purchased liability insurance for the Directors.

Save as disclosed below, for the year ended 31 December 2025, the Company has complied with the principles and code provisions contained in Part 2 of the Code. Details of the corporate governance of the Company are set out in the 2025 annual report of the Company (the "**2025 Annual Report**") which will be published in due course.

Code provision C.2.1 of the CG Code states that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the reporting period, Mr. Zhu Liming (“**Mr. Zhu**”) served as the chairman of the Board. Mr. Zhu also took on the duties and responsibilities of the acting general manager of the Company since Mr. Shen Zhen resigned as the general manager of the Company in September 2024.

During the period when Mr. Zhu Liming, the chairman of the Board, performed the duties of the acting general manager. Notwithstanding the deviation from code provision C.2.1 of the CG Code, the supervision of the Board (comprising one executive Director, five non-executive Directors (including one employee representative Director) and three independent non-executive Directors) was sufficient to ensure a proper structure of checks and balances of power and to provide sufficient checks to protect the interests of the Company and its shareholders. The Company will keep reviewing the current structure of the Board from time to time.

COMPLIANCE WITH THE MODEL CODE FOR DEALING IN SECURITIES OF THE COMPANY BY ITS DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Group has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 to the Listing Rules as the code of conduct for dealing in the securities of the Company by its Directors, supervisors and relevant employees of the Company (as defined in the Model Code). According to the specific enquiries of all Directors, each Director had confirmed that he/she had strictly complied with the standard set out in the Model Code for the year ended 31 December 2025. As the Company has abolished its Supervisory Committee since 27 June 2025, each supervisor had confirmed that he/she had strictly complied with the standards set out in the Model Code from 1 January 2025 to 27 June 2025. The Board will examine the corporate governance practices and operation of the Group from time to time to ensure that the Group is in compliance with relevant requirements under the Listing Rules and that the shareholders’ interests are safeguarded.

SCOPE OF WORK ON THE RESULTS ANNOUNCEMENT BY AUDITORS

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes thereto for the year ended 31 December 2025 as set out in this results announcement have been agreed by the Company’s auditors, to the amounts set out in the Group’s audited consolidated financial statements for the year. The work performed by the Company’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company’s auditor on this results announcement.

AUDIT COMMITTEE

The Group's 2025 annual results and the consolidated financial statements for the year ended 31 December 2025 were prepared in accordance with the IFRS have been reviewed by the audit committee of the Company.

USE OF NET PROCEEDS FROM INITIAL PUBLIC OFFERING

The Company has been listed on the Main Board of the Stock Exchange since 15 November 2016. The net proceeds from the initial public offering and partial exercise of the over-allotment option, after deducting the underwriting fees and relevant expenses, amounted to approximately HK\$2,032.3 million, which will be used in the ways stated in the section headed "Future Plans and Use of Proceeds" of the prospectus of the Company dated 3 November 2016 (the "**Prospectus**") and the announcement of the Company dated 30 December 2021 (the "**Announcement**") in relation to the change in use of net proceeds.

The following table sets forth the use of net proceeds from the initial public offering as at 31 December 2025:

	Intended use of net proceeds disclosed in the Prospectus (HK\$ million)	Revised use of net proceeds as at the date of the Announcement (HK\$ million)	Actual use of net proceeds up to 31 December 2025 (HK\$ million)	Unused net proceeds up to 31 December 2025 (HK\$ million)	Expected time of full utilization of remaining balance
To finance the capital expenditures for expanding the desulfurization and denitrification concession operations	1,219.50	1,219.50	1,219.50	0.00	–
To develop new sources of growth in the revenue and profit, including but not limited to EMC business for coalfired power plants, water treatment business, and providing customers with overall solution plans of ultra-low emissions	304.80	304.80	304.80	0.00	–
To repay some of the existing bank loans in order to lower the finance costs and improve the financial leverage ratio	203.20	203.20	203.20	0.00	–
For working capital and other general corporate purposes	203.20	203.20	203.20	0.00	–
For research and development expenditures	101.60	93.60	93.60	0.00	–
For investment in renewable energy projects	–	8.00	3.92	4.08	December 2026
Total	2,032.30	2,032.30	2,028.22	4.08	

IMPORTANT SUBSEQUENT EVENT

Save as disclosed in this results announcement, no other important events affecting the Group have occurred since 31 December 2025 and up to the date of this results announcement.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement will be available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.dteg.com.cn). The 2025 Annual Report containing all the information required by the Listing Rules will be published on the above websites in due course.

By order of the Board
Datang Environment Industry Group Co., Ltd.*
Zhu Liming
Chairman

Beijing, the PRC, 27 March 2026

As of the date of this announcement, the executive Director is Mr. Zhu Liming; the non-executive Directors are Mr. Xu Chun, Mr. Pang Xiaojin, Mr. Xia Huaixiang, Mr. Chu Hongbo and Ms. Wang Mi; and the independent non-executive Directors are Mr. Mao Zhuanjian, Mr. Suen Chun Hung, Benjamin and Ms. Hu Yunqing.

* *For identification purpose only*