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**CONCH VENTURE**

**海螺环保**

**China Conch Environment Protection Holdings Limited**

**中國海螺環保控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 587)**

## **PROFIT WARNING**

This announcement is made by China Conch Environment Protection Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**2022 Financial Year**” or “**Reporting Period**”) and information currently available to the Board, the Group is expected to record a decrease of approximately 30% to 50% in the consolidated net profit attributable to the Shareholders of the Company for the 2022 Financial Year as compared to that for the year ended 31 December 2021.

The Board is of the view that the expected decrease is attributable to (i) the slowdown of domestic economic growth due to the impact of various adverse factors including the resurgence of COVID-19 pandemic in the PRC and the complex and challenging international environment during the Reporting Period. In respect of the supply and demand side of hazardous waste treatment industry, the total amount of waste produced by industrial manufacturing companies decreased. In recent years, approved hazardous waste operation qualification in the PRC has grown rapidly and market competition was intense, resulting in a significant decrease in the price of industrial hazardous waste treatment; (ii) during the Reporting Period, the cement industry paid more staggering peak production efforts, resulting in the decline in the utilisation rate of the production capacity of the cement industry as a whole, hence the collaborative cement kiln co-processing projects of the Group and the suppliers, i.e., such cement companies, were adversely affected, which further limited the operation of solid waste and hazardous waste treatment of the Group.

During 2022 Financial Year, the Group focused on market development, explored customer channels, improved operational quality and achieved significant results in technical transformation measures. Against the backdrop of intense competition and industry downturn, the Group still maintained reasonable growth in the volume of the industrial solid waste and hazardous waste disposed. Based on the assessment of the unaudited consolidated management accounts of the Group for the 2022 Financial Year, the Group maintained a good liability structure in the 2022 Financial Year. The Board considers that the overall financial position and operations of the Group remain sound and healthy, and is optimistic about the long-term growth and development of the Group.

The Company is in the process of preparing for and finalizing the Group's results for the 2022 Financial Year. The information contained in this announcement is only based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group for the 2022 Financial Year. Such consolidated management accounts have not yet been audited by the Company's auditors, and shall be subject to finalization and necessary adjustments (if any). Shareholders and potential investors of the Company are advised to carefully read the announcement on the audited annual results of the Group for the 2022 Financial Year, which is expected to be published by the end of March 2023.

**Shareholders and potential investors should exercise caution when dealing with the securities of the Company.**

For and on behalf of the Board  
**China Conch Environment Protection Holdings Limited**  
**LIAO Dan**  
*Joint Company Secretary*

Anhui Province, the People's Republic of China

30 January 2023

*As at the date of this announcement, the Board comprises Mr. LI Xiaobo (General Manager), Ms. LIAO Dan and Mr. FAN Zhan as executive Directors; Mr. LI Qunfeng (Chairman), Mr. XIAO Jiexiang and Mr. MA Wei as non-executive Directors; and Mr. HAO Jiming, Mr. DAI Xiaohu and Ms. WANG Jiafen as independent non-executive Directors.*