HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED
鴻承環保科技有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2265)

POSITIVE PROFIT ALERT

This announcement is made by HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (the "**Company**", together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the "**Board**") of directors (the "**Directors**") of the Company wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Group and information currently available to the Board, the Company is expected to record a profit for the year attributable to owners of the Company of approximately RMB60.0 million for the year ended 31 December 2024, representing an increase of approximately 242.9% compared to the profit for the year attributable to owners of the Company of approximately RMB17.5 million recorded for the year ended 31 December 2023. The Company is expected to record a revenue of approximately RMB233.9 million for the year ended 31 December 2024, representing an increase of approximately 116.6% as compared to the revenue of approximately RMB108.0 million recorded for the year ended 31 December 2023.

The Board considers that the increase in the amounts of profit for the year attributable to owners of the Company and revenue was primarily and collectively attributable to: (i) the increase in both sales volume and unit price of pyrite concentrate which was driven by increased demand from industries that rely on pyrite concentrate as a key raw material for their production processes. For instance, the market price of products within the sulfuric acid-related market saw a significant increase compared to the previous year; and (ii) the sales of the products from the reprocessing of pyrite concentrate (including sulphuric acid, iron powder and electricity) (the "**New Production Line**") that generated revenue of approximately RMB115.2 million during the year ended 31 December 2024 and contributed significantly to the Group's total revenue for the year ended 31 December 2024. Especially, both sales volume and unit price of sulphuric acid and iron powder increased significantly compared to the previous year. Moreover, the sales from the New Production Line only commenced in the fourth quarter of 2023. As a result, the revenue contribution from the New Production Line was for the full year in 2024, whereas it was only for a partial year in 2023. However, the increase in revenue for the year ended 31 December 2024 was partially offset by the decrease in the rate of service fees charged for the gold mine hazardous waste treatment services as compared to the previous year.

As the Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2024, the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group, which have not been confirmed, reviewed or audited by the Company's auditors and may be subject to adjustment. Detailed financial information of the Group will be disclosed in the annual results announcement of the Group for the year ended 31 December 2024 which is expected to be published by end of March 2025 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED
Liu Zeming
Chairman and Executive Director

Shandong province, the PRC, 18 March 2025

As at the date of this announcement, the Board comprises Mr. Liu Zeming, Mr. Zhan Yirong and Mr. Sheng Haiyan as the executive Directors; and Mr. Zhang Shijun, Ms. Liu Ye and Mr. Lau Chung Wai as the independent non-executive Directors.