CONCH
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 six months ended 30 June 2025 (the "**First Half of 2025**") and information currently available to the Board, the Group is expected to record (i) revenue of approximately RMB760 million to RMB800 million (six months ended 30 June 2024: RMB804.01 million), and (ii) net profit attributable to the equity shareholders of the Company of approximately RMB2 million to RMB8 million (six months ended 30 June 2024: RMB82.14 million) for the First Half of 2025.

The Board is of the view that the expected decrease is mainly attributable to: (i) the Group's increased efforts in market expansion in the First Half of 2025 in response to the intensifying competition in the industry, leading to a sustained increase in the total treatment volume of solid and hazardous wastes. The treatment prices remained basically stable compared with the fourth quarter of last year, but still showed a downward trend compared with the same period last year; (ii) insufficient capacity utilization rate of certain projects in Henan, Shandong, Northeast China, etc.; and (iii) increase in depreciation and amortization resulting from the transfer of new production projects to fixed assets.

The Company has taken/and will take certain measures to improve its operating performance, including: (i) adhering to the operating strategy of "raising the price of hazardous waste treatment and increasing the volume of solid waste treatment". The Company will enhance the market exchanges and cooperation, and promote the stabilizing, recovering and rebounding of treatment price. It will also strengthen the market expansion of bulk solid waste and contaminated soil, and increase the profit contribution from solid waste; (ii) continuously consolidating the advantages of synergies between cement kilns and the principal businesses, and promoting the implementation of the projects that have economies of scale such as sludge treatment. Guided by the dual carbon policy, the Company will accelerate the layout at the source of alternative fuels and expand the scale of alternative fuel business; (iii) continuously strengthening production management with cement enterprises and factories, and promoting the ongoing reduction of operating costs; and (iv) intensifying the research and development of technologies for new pollutant treatment, sludge odor control and the resource utilization of byproducts of fly ash, and accelerating the transformation and application of technological achievements.

As of the date of this announcement, the Company is in the process of finalizing its unaudited interim results for the six months ended 30 June 2025. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2025. 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 Group's interim results for the six months ended 30 June 2025, which is expected to be published by the end of August 2025.

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

21 July 2025

As at the date of this announcement, the Board comprises Mr. WANG Chunjian (General Manager), Ms. LIAO Dan and Mr. FAN Zhan as executive Directors; Mr. LI Qunfeng (Chairman), Mr. LYU Wenbin and Mr. MA Wei as non-executive Directors; and Mr. DING Wenjiang, Ms. WANG Jiafen and Ms. LI Chen as independent non-executive Directors.