

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

**HIGHLIGHTS**

- Revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB777.18 million, representing a period-on-period decrease of 3.34%.
- Net profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 amounted to approximately RMB4.33 million, representing a period-on-period decrease of 94.73%.
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2025.

The board (the “**Board**”) of directors (the “**Directors**”) of China Conch Environment Protection Holdings Limited (the “**Company**”) hereby presents the unaudited results of operation and financial position of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2025 (the “**Reporting Period**”).

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 have been approved by the Board and reviewed by the audit committee of the Board (the “**Audit Committee**”).

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2025 — unaudited

(Expressed in Renminbi yuan)

		Six months ended 30 June	
		2025	2024
	Notes	RMB'000	RMB'000
<b>Revenue</b>	3	<b>777,184</b>	804,007
Cost of sales		<u>(530,931)</u>	<u>(444,356)</u>
<b>Gross profit</b>		<b>246,253</b>	359,651
Other income	4	<b>37,756</b>	38,143
Distribution costs		<b>(58,740)</b>	(72,735)
Administrative expenses		<b>(150,981)</b>	(148,790)
Impairment loss on trade and bills receivables		<u><b>(9,528)</b></u>	<u>(11,710)</u>
<b>Profit from operations</b>		<b>64,760</b>	164,559
Finance costs	5(a)	<b>(60,902)</b>	(52,804)
Share of profits less losses of associates	8	<u><b>(1,195)</b></u>	<u>(2,787)</u>
<b>Profit before taxation</b>		<b>2,663</b>	108,968
Income tax	6	<u><b>(11,696)</b></u>	<u>(16,664)</u>
<b>(Loss)/profit for the period</b>		<u><u><b>(9,033)</b></u></u>	<u><u>92,304</u></u>
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>4,325</b>	82,141
Non-controlling interests		<u><b>(13,358)</b></u>	<u>10,163</u>
<b>(Loss)/profit for the period</b>		<u><u><b>(9,033)</b></u></u>	<u><u>92,304</u></u>
<b>Earnings per share</b>	7		
— Basic (RMB cents)		<b>0.24</b>	4.50
— Diluted (RMB cents)		<u><b>0.24</b></u>	<u>4.50</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*for the six months ended 30 June 2025 — unaudited  
(Expressed in Renminbi yuan)*

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>(Loss)/profit for the period</b>	<b>(9,033)</b>	<b>92,304</b>
Other comprehensive income for the period (after tax and reclassification adjustments)	—	—
<b>Total comprehensive income for the period</b>	<b>(9,033)</b>	<b>92,304</b>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>4,325</b>	<b>82,141</b>
Non-controlling interests	<b>(13,358)</b>	<b>10,163</b>
<b>Total comprehensive income for the period</b>	<b>(9,033)</b>	<b>92,304</b>

# **CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

*at 30 June 2025 — unaudited*

*(Expressed in Renminbi yuan)*

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Notes</i>		
<b>Non-current assets</b>			
Property, plant and equipment		7,412,279	7,396,978
Right-of-use assets		315,785	319,818
Intangible assets		124,381	129,784
Goodwill		10,254	10,254
Interests in associates	8	72,748	73,943
Non-current portion of trade and other receivables	9	225,316	293,991
Deferred tax assets		19,276	17,339
		<u>8,180,039</u>	<u>8,242,107</u>
<b>Current assets</b>			
Inventories		35,497	38,525
Trade and other receivables	9	898,488	998,218
Restricted bank deposits		65,446	125,906
Bank deposits with original maturity over three months		10,000	—
Cash and cash equivalents		616,029	345,622
		<u>1,625,460</u>	<u>1,508,271</u>
<b>Current liabilities</b>			
Loans and borrowings		741,663	867,687
Trade and other payables	10	1,217,790	1,382,760
Contract liabilities		22,032	16,825
Lease liabilities		743	1,537
Income tax payables		3,473	3,128
		<u>1,985,701</u>	<u>2,271,937</u>
<b>Net current liabilities</b>		<u>(360,241)</u>	<u>(763,666)</u>
<b>Total assets less current liabilities</b>		<u>7,819,798</u>	<u>7,478,441</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)***at 30 June 2025 — unaudited**(Expressed in Renminbi yuan)*

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
<b>Non-current liabilities</b>		
Loans and borrowings	1,634,704	2,280,178
Unsecured medium-term notes (“MTN”)	2,500,000	1,500,000
Lease liabilities	7,579	8,929
Deferred tax liabilities	27,916	30,410
	<u>4,170,199</u>	<u>3,819,517</u>
<b>Net assets</b>	<u>3,649,599</u>	<u>3,658,924</u>
<b>Capital and reserves</b>		
Share capital	14,837	14,837
Reserves	2,937,468	2,933,143
<b>Equity attributable to equity shareholders of the Company</b>	2,952,305	2,947,980
<b>Non-controlling interests</b>	697,294	710,944
<b>Total equity</b>	<u>3,649,599</u>	<u>3,658,924</u>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

*(Expressed in Renminbi unless otherwise indicated)*

## 1 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”). It was authorised for issue on 26 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

The preparation of Interim Financial Information is in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

## 2 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period’s financial information.

Amendments to IAS 21

Lack of Exchangeability

The amendments did not have any impact on the interim condensed consolidated financial information.

### 3 REVENUE AND SEGMENT REPORTING

#### (a) Revenue

The principal activities of the Group are provision of treatment solutions for industrial solid waste and hazardous waste.

##### (i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by each significant category for the six months ended 30 June 2025 and 30 June 2024 recognised in the consolidated statements of profit or loss are as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of IFRS15, recognised over time</b>		
<b>Solid and hazardous waste solutions</b>		
Industrial solid waste treatment services	185,265	197,293
Industrial hazardous waste treatment services		
— General hazardous waste	395,276	469,119
— Oil sludge	58,312	42,861
— Fly ash	43,966	46,647
	<u>682,819</u>	<u>755,920</u>
<b>Revenue from contracts with customers within the scope of IFRS15, recognised at point in time</b>		
<b>Solid and hazardous waste solutions</b>		
— Comprehensive resource utilization	94,365	48,087
	<u>777,184</u>	<u>804,007</u>

For the six months ended 30 June 2025, there was no customer from which revenue accounted for 10% or more of the Group's revenue.

#### (b) Segment reporting

##### (i) Services from which reportable segments derive their revenue

Information reported to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on industrial solid and hazardous waste solutions. Resources are allocated based on what is beneficial for the Group in enhancing its industrial solid and hazardous waste solutions activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of IFRS 8, Operating segments.

(ii) *Geographic information*

The geographical location of revenue is based on the selling location. All of the Group's revenue from external customers is from the PRC. The geographical location of the specified non-current assets (primarily property, plant and equipment, right-of-use assets, intangible assets, goodwill, interests in associates) is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates. During the Relevant Periods, substantially all of the Group's specified non-current assets are physically located in the PRC.

**4 OTHER INCOME**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest income on bank deposits	<b>2,963</b>	2,279
Government grants	<b>30,029</b>	28,278
Others	<b>4,764</b>	7,586
	<b>37,756</b>	38,143

**5 PROFIT BEFORE TAXATION**

Profit before taxation is arrived at after charging/(crediting):

**(a) Finance costs:**

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Interest on loans and borrowings	<b>31,087</b>	77,943
Interest on lease liabilities	<b>223</b>	144
Interest on unsecured MTN	<b>32,549</b>	—
Total interest expense on financial liabilities not at fair value through profit or loss	<b>63,859</b>	78,087
Less: interest expense capitalised in construction in progress	<b>(2,957)</b>	(25,283)
	<b>60,902</b>	52,804



(b) Other items:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Cost of services provided	<b>530,931</b>	444,356
Depreciation of owned property, plant and equipment	<b>167,312</b>	123,342
Depreciation of right-of-use assets	<b>6,042</b>	4,162
Amortisation of intangible assets	<b>9,027</b>	11,481
Loss allowance for trade receivables	<b>9,528</b>	11,710
Short-term lease payments not included in the measurement of lease liabilities	<b>3,525</b>	5,310

**6 INCOME TAX**

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
<b>Current tax — Hong Kong Profits Tax</b>		
Provision for the period	—	—
<b>Current tax — PRC Income Tax</b>		
Provision for the period	<b>14,572</b>	21,494
Under/(Over) provision in respect of prior years	<b>1,556</b>	(805)
<b>Deferred tax:</b>		
Origination and reversal of temporary differences, net	<b>(4,432)</b>	(4,025)
	<b>11,696</b>	16,664

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (b) The estimated annual effective tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax is 16.5% (2024: 16.5%) to the six months ended 30 June 2025. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.
- (c) The provision for PRC income tax is based on a statutory rate of 25% of the assessable income of the Company's mainland China subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.
- (d) Pursuant to Notice No.23 issued by the State Administration of Taxation on 23 April 2020 and relevant local tax authorities' notices, certain subsidiaries are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC.
- (e) Pursuant to the PRC Enterprise Income Tax Law Implementing Regulations issued by State Council of the PRC, certain subsidiaries engaged in solid waste solutions are eligible for income tax exemption for the first three years starting from the year in which revenue is generated and 50% income tax reduction for the next three years.
- (f) The Group is within the scope of the Pillar Two model rules. The Group has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the Pillar Two income taxes as current tax when incurred. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year. As such, it may not be entirely representative of future circumstances. For the six months ended 30 June 2025, the Group does not expect a material exposure to Pillar Two income taxes.

## **7 EARNINGS PER SHARE**

The calculation of basic earnings per share for the six months ended 30 June 2025 is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2025 of RMB4,325,000 (30 June 2024: RMB82,141,000) and the weighted average number of ordinary shares of 1,826,765,059 in issue (30 June 2024: 1,826,765,059).

Diluted earnings per share for the six months ended 30 June 2025 and 2024 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

## **8 INTERESTS IN ASSOCIATES**

As at 30 June 2025, interests in associates represented share of net assets of four associates that are not individually material. For the six months period ended 30 June 2025, the Group recognised share of losses of associates in the amount of RMB-1,195,000 in the consolidated statement of profit or loss (six months ended 30 June 2024: RMB-2,787,000).

## 9 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables		
— Third parties	696,650	808,542
— Related parties	97,674	82,112
Bills receivable, carried at amortised cost	41,048	78,526
Bills receivable, carried at FVOCI	15,708	6,337
Less: loss allowance for doubtful debts	(79,908)	(70,381)
	<u>771,172</u>	<u>905,136</u>
Trade and bills receivables		
Other receivables		
— Deposits	15,766	16,534
— VAT recoverable	37,703	41,860
— Others	48,002	12,847
Prepayments	<u>25,845</u>	<u>21,841</u>
	898,488	998,218
Current portion of trade and other receivables	898,488	998,218
Non-current portion of trade and other receivables	225,316	293,991
Total current and non-current trade and other receivables	<u>1,123,804</u>	<u>1,292,209</u>

All of the current portion of trade and other receivables are expected to be recovered within one year.

All of the amounts due from related parties are unsecured, non-interest bearing and repayable on demand.

Non-current portion of trade and other receivables mainly consist of non-current portion of VAT recoverable, which are expected to be deducted after one year.

## Ageing analysis

As of the end of the reporting periods, the ageing analysis of trade receivables and bills receivable (which are included in trade and other receivables), based on the past due aging and net of loss allowance, is as follows:

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current	640,731	781,455
Less than 1 year	128,135	118,023
1 to 2 years	2,306	5,658
	<u>771,172</u>	<u>905,136</u>

## 10 TRADE AND OTHER PAYABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade payables		
— Third parties	256,482	271,506
— Related parties	58,892	66,253
Bills payable	48,474	93,744
	<u>363,848</u>	<u>431,503</u>
Trade and bills payables	363,848	431,503
Other payables and accruals		
— Construction and equipment payables	461,609	434,863
— Deposits	30,696	33,132
— Other taxes and surcharges payables	11,876	10,339
— Accrued payroll and other benefits	8,937	107,924
— Accrued expenses	62,837	65,023
— Others	49,550	42,706
	<u>989,353</u>	<u>1,125,490</u>
Dividends payable	28,171	31,219
Amounts due to related parties		
— Construction and equipment payables	197,228	224,777
— Others	3,038	1,274
	<u>1,217,790</u>	<u>1,382,760</u>
Trade and other payables	1,217,790	1,382,760

An ageing analysis of trade and bills payables of the Group is as follows:

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 year	<u><b>363,848</b></u>	<u>431,503</u>

The amounts due to related parties are unsecured, non interest-bearing and repayable on demand.

## 11 DIVIDENDS

Dividends payable to equity shareholders attributable to the previous financial year, approved during the interim period

	At <b>30 June</b> <b>2025</b> <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the following interim period, of HKD nil cents per share (six months ended 30 June 2024: HKD3 cents per share)	<u>–</u>	<u>51,332</u>

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## 12 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the end of the reporting period that require additional disclosure or adjustments.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **MACRO ENVIRONMENT**

In the first half of 2025, China's macroeconomy maintained overall stability, with its ecological civilization construction further solidifying its strategic role as a core task in the modernization process. At the national level, the government deepened the transition toward green and low-carbon development, leveraging synergy in pollution reduction and carbon reduction as key initiatives. Efforts focused on the management of emerging pollutants and the recycling of resources, driving an advance leap in ecological environment quality from "quantitative" to "qualitative" change. In February 2025, the General Office of the Ministry of Ecology and Environment issued the "Guiding Opinions on Further Strengthening Environmental Management of Hazardous Waste and Strictly Preventing Environmental Risks" (《關於進一步加強危險廢物環境治理嚴密防控環境風險的指導意見》), explicitly requiring a reduction in the proportion of hazardous waste disposed of in landfills (below 10% by 2030). In June 2025, multiple government agencies jointly launched a three-year nationwide campaign to strengthen enforcement against on illegal dumping and disposal of solid waste, aiming to establish a closed-loop regulatory system by targeting violations across the entire waste management chain. Under the dual policy impetus, the industry accelerated its shift toward resource recovery and standardization.

Against this backdrop, the solid and hazardous waste disposal industry exhibited dual characteristics: on one hand, tightening environmental regulations heightened compliance awareness among waste-generating companies, gradually unlocking disposal demand; on the other hand, end-use waste-generating companies mitigated incremental demand through technological advancements and process optimization, achieving source reduction. Coupled with price declines driven by "race-to-the-bottom" competition and persistent supply-demand imbalances, the loss-making situation in the solid and hazardous waste disposal industry continued to widen, posing severe challenges to the survival of enterprises.

### **BUSINESS REVIEW**

During the Reporting Period, the Group proactively responded to external pressures by vigorously expanding its market presence. While the total volume of solid and hazardous waste disposal increased period-to-period, the Group's profitability declined during the Reporting Period due to falling disposal prices. Nevertheless, the Group maintained stable operations, with accounts receivable decreasing period-to-period and refined management initiatives such as cost reduction and efficiency improvement were steadily advanced.

In environmental protection business development, the Group aligned closely with national policies, steadfastly implementing its development concepts of “industrial synergy, technological advancement, and sustainable development”. Leveraging its competitive edge in cement kiln co-processing, the Group enhanced its resource acquisition capabilities and advanced synergistic initiatives such as alternative fuels, sludge treatment, comprehensive resource utilization, oil sludge treatment, and fly ash washing. These efforts further consolidated its leading position in the solid and hazardous waste disposal industry.

At the end of the Reporting Period, the Group put into operation and constructed a total of 85 environmental protection projects in 21 provinces, municipalities, and autonomous regions across the country, including 40 general hazardous waste projects, 7 fly ash washing projects, 6 oil sludge treatment projects, 25 industrial solid waste projects and 7 comprehensive resource utilization projects. The treatment scale of the projects was approximately 11,922,300 tonnes/year (excluding projects subject to approval and to be constructed).

### **Industrial hazardous waste treatment and comprehensive resource utilization**

#### *1) Project expansion*

By closely adhering to the strategic core of “cement kiln co-processing treatment + comprehensive resource utilization”, the Group persisted in the development direction of “harmless treatment, resource recycling, and service orientation,” steadily advancing project expansion. During the Reporting Period, the Group focused on conducting market research and investment feasibility studies for the Tongling Copper Tailings Resource Recycling Project (800,000 tonnes/year). The Group also organized on-site investigations into projects such as metal resource recycling and medical waste disposal, effectively solidifying the foundation for project pipeline.

#### *2) Project operation*

In terms of market expansion, the Group focused on bidding for major waste-generating enterprises and placed great emphasis on customers at the source, maintaining growth in the number of contracts signed. Leveraging the platform advantages of regional hazardous waste (fly ash) disposal center, the Group successfully opened up a cross-provincial fly ash transfer route from Zhejiang to Anhui and secured disposal rights for fly ash projects from multiple waste incineration enterprises. The Group also successfully established its first alternative fuel source collection center in Nantong, Jiangsu Province, further accelerating its layout over alternative fuel sources.

In terms of operation and management, the Group strengthened production management collaboration with cement plant facilities, optimized production organization, and drove continuous reductions in operating costs. It focused on digital and intelligent transformation, achieving the widespread application of information systems across the Northwest, East China, and Zhejiang regions. The Group also enhanced production process control and deepened technological upgrades and measures, thereby further improving disposal efficiency.

During the Reporting Period, the total treatment volume of industrial hazardous waste of the Group was approximately 518,700 tonnes, representing a period-to-period decrease of approximately 5.67%, among which approximately 440,500 tonnes were general hazardous waste, approximately 47,800 tonnes were oil sludge, and approximately 30,400 tonnes were fly ash. Approximately 1,500 tonnes of comprehensive resource utilization matte products were sold, representing a period-on-period increase of approximately 32.70%; and approximately 275,100 tonnes of alternative fuels were produced and sold, representing a period-to-period increase of approximately 193.60%.

## **Industrial solid waste treatment**

### *1) Project expansion*

The Group has fully leveraged its synergistic advantages in the environmental protection industry and actively promoted the expansion of “small yet excellent and small yet beautiful” projects involving sludge drying and industrial solid waste treatment. In July 2025, the Group successfully secured the contract for a project (150,000 tonnes/year) in Fenxi, Jiangxi Province.

### *2) Project operation*

The Group has fully leveraged its project capacity advantages to intensify its expansion into the solid waste market. During the Reporting Period, the total treatment volume of industrial solid waste of the Group was approximately 850,700 tonnes, representing a period-to-period increase of approximately 3.57%.



At the end of the Reporting Period, details of general hazardous waste treatment projects of the Group are set out in the following table:

No.	Status of Construction	Region	Project Location	Treatment Capacity	Hazardous Waste Qualification	Completion Date
1	In operation	East China	Wuhu, Anhui Province	266,000 tonnes/year	130,000 tonnes/year	December 2017
2			Suzhou, Anhui Province	200,000 tonnes/year	125,000 tonnes/year	August 2018
3			Yixing, Jiangsu Province	190,000 tonnes/year	100,000 tonnes/year	December 2019
4			Wuhu, Anhui Province	16,500 tonnes/year	16,500 tonnes/year	January 2021
5			Ningguo, Anhui Province	100,000 tonnes/year	70,000 tonnes/year	January 2022
6			Nanjing, Jiangsu Province	100,000 tonnes/year	94,600 tonnes/year	January 2022
7		Zhejiang	Fuyang, Zhejiang Province	200,000 tonnes/year	90,000 tonnes/year	June 2022
8		Jiangxi	Yiyang, Jiangxi Province	300,000 tonnes/year	170,000 tonnes/year	May 2018
9			Sanming, Fujian Province	200,000 tonnes/year	40,500 tonnes/year	August 2019
10			Fuzhou, Jiangxi Province	100,000 tonnes/year	75,000 tonnes/year	October 2022
11		Hunan	Qiyang, Hunan Province	270,000 tonnes/year	69,500 tonnes/year	January 2020
12			Linxiang, Hunan Province	190,000 tonnes/year	88,500 tonnes/year	January 2021
13			Wuhan, Hubei Province	18,000 tonnes/year	18,000 tonnes/year	December 2023
14		Guangdong	Yangchun, Guangdong Province	205,000 tonnes/year	85,300 tonnes/year	August 2020
15			Shaoguan, Guangdong Province	430,000 tonnes/year	180,600 tonnes/year	April 2023
16			Qingyuan, Guangdong Province	70,000 tonnes/year	67,500 tonnes/year	August 2023
17			Luoding, Guangdong Province	300,000 tonnes/year	100,000 tonnes/year	April 2024

No.	Status of Construction	Region	Project Location	Treatment Capacity	Hazardous Waste Qualification	Completion Date
18	In operation	Guangxi	Xingye, Guangxi Region	320,000 tonnes/year	161,500 tonnes/year	August 2018
19			Chongzuo, Guangxi Region	100,000 tonnes/year	85,000 tonnes/year	March 2021
20			Longan, Guangxi Region	100,000 tonnes/year	70,000 tonnes/year	March 2021
21			Guilin, Guangxi Region	230,000 tonnes/year	50,000 tonnes/year	July 2021
22		Chongqing-Sichuan	Zhong County, Chongqing	448,000 tonnes/year	143,500 tonnes/year	June 2019
23			Nantong, Chongqing	160,000 tonnes/year	50,000 tonnes/year	December 2022
24		Yunnan-Guizhou	Wenshan, Yunnan Province	71,000 tonnes/year	66,000 tonnes/year	August 2019
25			Qing Town, Guizhou Province	150,000 tonnes/year	100,000 tonnes/year	September 2019
26		Northwest China	Fuping, Shaanxi Province	100,000 tonnes/year	100,000 tonnes/year	April 2016
27			Qian County, Shaanxi Province	80,100 tonnes/year	80,100 tonnes/year	April 2017
28			Qianyang, Shaanxi Province	100,000 tonnes/year	78,000 tonnes/year	October 2018
29			Tongchuan, Shaanxi Province	100,000 tonnes/year	81,500 tonnes/year	August 2019
30			Pingliang, Gansu Province	130,000 tonnes/year	60,000 tonnes/year	June 2022
31			Jiayuguan, Gansu Province	200,000 tonnes/year	100,000 tonnes/year	June 2022
32			Tongchuan, Shaanxi Province	200,000 tonnes/year	147,000 tonnes/year	April 2024
33			Yongdeng, Gansu Province	100,000 tonnes/year	40,000 tonnes/year	April 2025
34		Shandong	Sishui, Shandong Province	250,000 tonnes/year	100,000 tonnes/year	January 2020
35			Tai'an, Shandong Province	160,000 tonnes/year	100,000 tonnes/year	December 2020
36		Henan	Luoyang, Henan Province	138,000 tonnes/year	72,000 tonnes/year	December 2020
37			Jiyuan, Henan Province	80,000 tonnes/year	50,000 tonnes/year	December 2020
38			Dengfeng, Henan Province	100,000 tonnes/year	80,000 tonnes/year	July 2021

No.	Status of Construction	Region	Project Location	Treatment Capacity	Hazardous Waste Qualification	Completion Date
39	In operation	Northeast China	Hulunbuir, Inner Mongolia	50,000 tonnes/year	35,000 tonnes/year	June 2022
40			Arong Qi, Inner Mongolia	100,000 tonnes/year	85,000 tonnes/year	June 2022
Subtotal				6,622,600 tonnes/year	3,455,600 tonnes/year	

*Note 1:* The Dezhou project (100,000 tonnes/year) has been removed from the project list due to production suspension;

*Note 2:* The processing capacity of the Shandong Sishui project has been adjusted according to the approved environmental impact assessment (EIA) capacity.

At the end of the Reporting Period, details of fly ash washing projects of the Group are set out in the following table:

No.	Status of Construction	Region	Project Location	Treatment Capacity	Actual/Expected Completion Date
1	In operation	East China	Wuhu, Anhui Province	100,000 tonnes/year	December 2020
2			Quanjiao, Anhui Province	100,000 tonnes/year	May 2023
3		Jiangxi	Yiyang, Jiangxi Province	100,000 tonnes/year	March 2022
4		Hunan	Yiyang, Hunan Province	49,500 tonnes/year	March 2022
5		Northwest China	Qian County, Shaanxi Province	50,000 tonnes/year	December 2023
Subtotal				399,500 tonnes/year	
6	Under construction	Zhejiang	Taizhou, Zhejiang Province	50,000 tonnes/year	March 2026
7		East China	Chaohu, Anhui Province	100,000 tonnes/year	May 2026
Subtotal				150,000 tonnes/year	
Total				549,500 tonnes/year	

At the end of the Reporting Period, details of oil sludge treatment projects of the Group are set out in the following table:

No.	Status of Construction	Region	Project Location	Treatment Capacity	Hazardous Waste Qualification	Completion Date
1	In operation	Northwest China	Yulin, Shaanxi Province	225,000 tonnes/year	225,000 tonnes/year	May 2020
2			Qingyang, Gansu Province	96,000 tonnes/year	88,000 tonnes/year	April 2024
3		Shandong	Binzhou, Shandong Province	100,000 tonnes/year	100,000 tonnes/year	May 2021
4			Dongying, Shandong Province	160,000 tonnes/year	160,000 tonnes/year	January 2022
5		Northeast China	Jinzhou, Liaoning Province	Oil sludge treatment: 20,000 tonnes/year Incineration: 42,000 tonnes/year	62,000 tonnes/year	September 2023
6		Sichuan-Chongqing Region	Zhong County, Chongqing (Phase I)	50,000 tonnes/year	50,000 tonnes/year	January 2025
Total				693,000 tonnes/year	685,000 tonnes/year	

At the end of Reporting Period, details of industrial solid waste treatment projects of the Group are set out in the following table:

No.	Status of Construction	Region	Project Location	Treatment Capacity	Actual/Expected Completion Date
1	In operation	East China	Huaining, Anhui Province	66,000 tonnes/year	September 2017
2			Huaipei, Anhui Province	132,000 tonnes/year	December 2017
3			Fanchang, Anhui Province	210,000 tonnes/year	July 2020
4			Chizhou, Anhui Province	200,000 tonnes/year	November 2020
5			Quanjiao, Anhui Province	60,000 tonnes/year	July 2021
6			Zongyang, Anhui Province	100,000 tonnes/year	July 2021
7			Chaohu, Anhui Province (sludge drying)	200,000 tonnes/year	January 2023
8			Wuhu, Anhui Province (sludge drying)	146,000 tonnes/year	February 2023
9			Tongling, Anhui Province	650,000 tonnes/year	March 2023
10		Hunan	Yiyang, Hunan Province	66,200 tonnes/year	January 2021
11			Xinhua, Hunan Province	66,000 tonnes/year	January 2022
12		Guangdong	Yunfu, Guangdong Province	160,000 tonnes/year	June 2023
13			Changjiang, Hainan Province	100,000 tonnes/year	January 2024
14		Sichuan-Chongqing region	Liangping, Chongqing Municipality	235,000 tonnes/year	September 2019
15			Guangyuan, Sichuan Province	120,000 tonnes/year	January 2020
16			Mianyang, Sichuan Province	100,000 tonnes/year	March 2024
17			Dazhou, Sichuan Province	250,000 tonnes/year	April 2024
18			Dazhou, Sichuan Province	155,000 tonnes/year	May 2024
19		Yunnan-Guizhou region	Shuicheng, Guizhou Province	66,000 tonnes/year	October 2023
20		Northwest China	Mian County, Shaanxi Province	16,500 tonnes/year	October 2017

No.	Status of Construction	Region	Project Location	Treatment Capacity	Actual/Expected Completion Date
21	In operation	Shandong	Baoding, Hebei Province	100,000 tonnes/year	March 2021
22			Jining, Shandong Province	50,000 tonnes/year	April 2024
23		Henan	Xin'an, Henan Province	49,500 tonnes/year	June 2022
24		Non-regional projects	Changshou, Chongqing Municipality	149,000 tonnes/year	April 2022
Subtotal				3,447,200 tonnes/year	
25	Under construction	Sichuan-Chongqing region	Junlian, Sichuan Province	130,000 tonnes/year	September 2025
Subtotal				130,000 tonnes/year	
Total				3,577,200 tonnes/year	

*Note:* In June 2025, the Group completed the transfer of 51% equity interest in Changshan Haiyu Nengyuan Environmental Protection Technology Co., Ltd. (常山海宇能遠環保科技有限公司) (“**Changshan Haiyu**”) and 70% equity interest in Zhejiang Haiyu Nengyuan Environmental Protection Technology Co., Ltd. (浙江海宇能遠環保科技有限公司) (“**Zhejiang Haiyu**”). In July 2025, the Group completed the transfer of 60% equity interest in Xiangtan Haihuan Nengyuan Environmental Protection Technology Co., Ltd. (湘潭海環能遠環保科技有限公司) (“**Xiangtan Haihuan**”). Following the completion of the equity transfers, the Group no longer holds any equity interests in Changshan Haiyu, Zhejiang Haiyu and Xiangtan Haihuan. Consequently, the Zhejiang Changshan (250,000 tonnes/year), Zhejiang Lin'an (100,000 tonnes/year) and Hunan Xiangtan (200,000 tonnes/year) projects have been removed from the relevant project tables.

At the end of the Reporting Period, details of alternative fuel processing projects of the Group are set out in the following table:

No.	Status of Construction	Region	Project Location	Production Capacity	Completion Date
1	In operation	Guangdong	Qingyuan, Guangdong Province	30,000 tonnes/year	July 2023
2		East China	Wuhu, Anhui Province	100,000 tonnes/year	November 2023
3			Chizhou, Anhui Province	100,000 tonnes/year	May 2024
4			Xuancheng, Anhui Province	50,000 tonnes/year	January 2025
5			Chizhou, Anhui Province	100,000 tonnes/year	January 2025
Subtotal				380,000 tonnes/year	

At the end of the Reporting Period, details of the comprehensive utilization project of other resource of the Group are set out in the following table:

No.	Status of Construction	Region	Project Location	Treatment Capacity	Hazardous Waste Qualification	Completion Date
1	In operation	Zhejiang	Ninghai, Zhejiang Province	100,000 tonnes/year	100,000 tonnes/year	May 2021
2		Guangdong	Changjiang, Hainan Province	15,000 vehicles/year	/	January 2025

At the end of the Reporting Period, the treatment capacity of the Group's projects in operation and under construction was approximately 11,922,300 tonnes/year, the details of which are set out in the following table:

*(Unit: 10,000 tonnes/year)*

Category	General hazardous waste	Fly ash washing		Oil sludge treatment	Industrial solid waste		Comprehensive resource utilization
Status	In operation	In operation	Under construction	In operation	In operation	Under construction	In operation
Treatment capacity	662.26	39.95	15	69.3	344.72	13	48

## FINANCIAL PROFITABILITY

Item	January- June 2025	January- June 2024	Changes between the Reporting Period and the corresponding period of the previous year
	Amount (RMB'000)	Amount (RMB'000)	(%)
Revenue	777,184	804,007	-3.34
Profit before taxation	2,663	108,968	-97.56
(Loss)/profit for the period	-9,033	92,304	-109.79
Net profit attributable to equity shareholders of the Company	4,325	82,141	-94.73

During the Reporting Period, the Group recorded revenue of RM777.18 million, representing a period-on-period decrease of 3.34%. Profit before taxation amounted to RMB2.66 million, representing a period-on-period decrease of 97.56%. Loss for the period amounted to RMB9.03 million, representing a period-on-period decrease of 109.79%. Net profit attributable to equity shareholders of the Company amounted to RMB4.33 million, representing a period-on-period decrease of 94.73%.

### Revenue by business stream

Item	January-June 2025		January-June 2024		Change in amount	Change in percentage (Percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
<b>Industrial hazardous waste</b>						
treatment services	497,554	64.02	558,627	69.48	-10.93	-5.46
General hazardous waste	395,276	50.86	469,119	58.35	-15.74	-7.49
Oil sludge	58,312	7.50	42,861	5.33	36.05	2.17
Fly ash	43,966	5.66	46,647	5.80	-5.75	-0.14
<b>Industrial solid waste</b>						
treatment services	185,265	23.84	197,293	24.54	-6.10	-0.70
<b>Comprehensive resource</b>						
utilization	94,365	12.14	48,087	5.98	96.24	6.16
<b>Total</b>	777,184	100.00	804,007	100.00	-3.34	-



During the Reporting Period, revenue of the Group was derived from three business segments, namely (i) industrial hazardous waste treatment services; (ii) industrial solid waste treatment services; and (iii) comprehensive resource utilization. With a breakdown by business streams:

- (i) Revenue from **industrial hazardous waste treatment services** was RMB497.55 million, representing a period-on-period decrease of 10.93%, of which:

Revenue from **general hazardous waste** was RMB395.28 million, representing a period-on-period decrease of 15.74%. The decrease in revenue was mainly attributable to the following reasons: firstly, the intensified market competition resulting in the decrease of prices in provinces such as Chongqing, Shaanxi and Jiangxi; and secondly, the additional time of shifting suspension of cement kilns, affecting the treatment of the hazardous waste from companies in Jiuyan, Fuyang, Nanjing.

Revenue from **oil sludge treatment** was RMB58.31 million, representing a period-on-period increase of 36.05%. This was primarily due to the rapid growth of the Dongying project and the commencement of operation of projects in Zhong County and Qingyang.

Revenue from **fly ash treatment** was RMB43.97 million, representing a period-on-period decrease of 5.75%. This was primarily due to the insufficient treatment volume of certain fly ash projects, resulting in a decrease in revenue.

- (ii) Revenue from **industrial solid waste treatment services** was RMB185.27 million, representing a period-on-period decrease of 6.1%. This was primarily due to the delays in the execution of certain planned orders for disposal of contaminated soil by the Group, which resulted in insufficient treatment volume.
- (iii) Revenue from **comprehensive resource utilization** was RMB94.37 million, representing a period-to-period increase of 96.24%. This was primarily due to the commencement of operation of alternative fuel projects in Chizhou and Wuhu, as well as the automobile disassembly project in Changjiang.

## Gross profit and gross profit margin

Item	January-June 2025		January-June 2024		Change in amount	Change in percentage (Percentage points)
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)		
<b>Industrial hazardous waste treatment services</b>	<b>168,321</b>	<b>33.83</b>	254,677	45.59	-33.91	-11.76
General hazardous waste	142,387	36.02	228,307	48.67	-37.63	-12.65
Oil sludge	17,429	29.89	12,769	29.79	36.49	0.10
Fly ash	8,505	19.34	13,602	29.16	-37.47	-9.82
<b>Industrial solid waste treatment services</b>	<b>74,363</b>	<b>40.14</b>	90,597	45.92	-17.92	-5.78
<b>Comprehensive resource utilization</b>	<b>3,569</b>	<b>3.78</b>	14,377	29.90	-75.18	-26.12
<b>Total</b>	<b>246,253</b>	<b>31.69</b>	359,651	44.73	-31.53	-13.04

During the Reporting Period, the Group recorded a gross profit of RMB246.25 million, representing a period-on-period decrease of 31.53%. With a breakdown by business streams:

- (i) Gross profit margin for **industrial hazardous waste treatment services** was 33.83%, representing a period-on-period decrease of 11.76 percentage points, among which:

Gross profit margin for **general hazardous waste** was 36.02%, representing a period-on-period decrease of 12.65 percentage points, which was primarily due to intensified competition in the market, resulting in a period-on-period decrease of price by RMB96 per ton in hazardous waste treatment.

Gross profit margin for **oil sludge treatment** was 29.89%, basically flat period-on-period.

Gross profit margin for **fly ash treatment** was 19.34%, representing a period-on-period decrease of 9.82 percentage points, which was primarily due to the insufficient treatment volume, resulting in failure of cost dilution.

- (ii) Gross profit margin for **industrial solid waste treatment services** was 40.14%, representing a period-on-period decrease of 5.78 percentage points, which was primarily due to the decrease in gross profit margin resulted from the price decline of projects in Quanjiao, Guangyuan, Fuyang and other areas.
- (iii) Gross profit margin for **comprehensive resource utilization** was 3.78%, representing a period-on-period decrease of 26.12 percentage points, which was primarily due to the unstable operation of the production system of the Ninghai project, which resulted in a negative gross profit margin on account of higher operating costs, leading to a decrease in the overall gross profit margin.

### **Other income**

During the Reporting Period, the Group's other income amounted to RMB37.76 million, representing a period-on-period decrease of RMB0.39 million, or 1.01%.

### **Distribution costs**

During the Reporting Period, the Group's distribution costs amounted to RMB58.74 million, representing a period-on-period decrease of RMB14 million, or 19%, which was primarily due to the Group's continued increase in the proportion of direct sales to customers and the significant decrease in consulting service fees.

### **Administrative expenses**

During the Reporting Period, the Group's administrative expenses amounted to RMB150.98 million, representing a period-on-period increase of RMB2.19 million, or 1.47%, which was primarily due to the increase in depreciation, amortisation and other expenses resulting from the capitalisation of newly operational projects.

### **Finance costs**

During the Reporting Period, the Group's finance costs amounted to RMB60.9 million, representing a period-on-period increase of RMB8.1 million, or 15.34%, which was primarily due to the discontinuation of the capitalisation of finance costs as a result of the commencement of operation of certain new projects, and excluding the effect of capitalisation, the finance costs decreased by RMB14.23 million period-on-period.

### **Profit before taxation**

During the Reporting Period, the Group's profit before taxation amounted to RMB2.66 million, representing a period-on-period decrease of RMB106.31 million, or 97.56%.

## FINANCIAL POSITION

As at the end of the Reporting Period, the Group's total assets amounted to RMB9,805.50 million, representing an increase of RMB55.12 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB2,952.31 million, representing an increase of RMB4.33 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 62.78%, representing an increase of 0.31 percentage point as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As at	As at	Change
	30 June 2025 (RMB'000)	31 December 2024 (RMB'000)	between the end of the Reporting Period and the end of the previous year (%)
Property, plant and equipment	7,412,279	7,396,978	0.21
Non-current assets	8,180,039	8,242,107	-0.75
Current assets	1,625,460	1,508,271	7.77
Non-current liabilities	4,170,199	3,819,517	9.18
Current liabilities	1,985,701	2,271,937	-12.60
Net current liabilities	360,241	763,666	-52.83
Equity attributable to equity shareholders of the Company	2,952,305	2,947,980	0.15
Total assets	9,805,499	9,750,378	0.57
Total liabilities	6,155,900	6,091,454	1.06

### Non-current assets and current assets

As at the end of the Reporting Period, non-current assets of the Group amounted to RMB8,180.04 million, representing a decrease of 0.75% as compared to the end of the previous year, primarily due to the decrease in trade and other receivables due after one year.

Current assets of the Group amounted to RMB1,625.46 million, representing an increase of 7.77% as compared to the end of the previous year, primarily due to the increase in bank deposits of the Company.

## **Non-current liabilities and current liabilities**

As at the end of the Reporting Period, non-current liabilities of the Group amounted to RMB4,170.20 million, representing an increase of 9.18% as compared to the end of the previous year, primarily due to the issuance of the 2025 first tranche green medium-term notes of RMB1 billion with a term of 3 years by 安徽海螺環保集團有限公司 (Anhui Conch Environment Group Co., Ltd.\*) (“**Anhui Conch Environment Group**”) during the Reporting Period.

Current liabilities of the Group amounted to RMB1,985.70 million, representing a decrease of 12.6% as compared to the end of the previous year, primarily due to the repayment of long-term borrowings due within one year during the Reporting Period.

As at the end of the Reporting Period, current ratio of the Group was 0.82 (compared to 0.66 at the end of the previous year).

## **Net current liabilities**

As at the end of the Reporting Period, the Group’s net current liabilities amounted to RMB360.24 million, representing a decrease of RMB52.83 million as compared to the end of the previous year, mainly due to the issuance of the 2025 first tranche green medium-term notes of RMB1 billion by Anhui Conch Environment Group in the PRC in April 2025, with an issuance rate of 1.8%, which was mainly used to replace long-term borrowings, in order to optimize capital structure.

## **Equity attributable to equity shareholders of the Company**

As at the end of the Reporting Period, the Group’s equity attributable to equity shareholders of the Company amounted to RMB2,952.31 million, representing an increase of 0.15% as compared to the end of the previous year.

## **LIQUIDITY AND CAPITAL SOURCES**

During the Reporting Period, the Group proactively expanded fundraising channels, strengthened the collection of accounts receivable, improved the returns on its stock capital and conducted reasonable allocation of project loans, so as to fully satisfy the Company’s capital needs. As at the end of the Reporting Period, the Group’s cash and cash equivalents amounted to RMB616.03 million, which were mainly denominated in RMB.

## Bank loans

Item	As at 30 June 2025 (RMB'000)	As at 31 December 2024 (RMB'000)
Due within one year	741,663	867,687
Due after one year but within two years	811,130	882,455
Due after two years but within five years	772,365	1,264,658
Due after five years	51,209	133,065
<b>Total</b>	<b>2,376,367</b>	<b>3,147,865</b>

As at the end of the Reporting Period, the Group's bank loan balance amounted to RMB2,376.37 million, representing a decrease of RMB771.50 million as compared to the end of the previous year, primarily due to the issuance of green medium-term notes by a subsidiary of the Group during the Reporting Period, which were used to replace bank loans. As at the end of the Reporting Period, all of the Group's bank loans were denominated in RMB, and most of the loan interests were subject to variable interest rate.

## Cash flows

As at the end of the Reporting Period, the Group's balance of cash and cash equivalents was RMB616.03 million, representing a period-on-period increase of RMB267.51 million.

Item	January to June 2025 (RMB'000)	January to June 2024 (RMB'000)
Net cash generated from operating activities	268,213	245,532
Net cash used in investing activities	-184,735	-338,397
Net cash generated from financing activities	186,929	195,133
Net increase in cash and cash equivalents	270,407	102,268
Cash and cash equivalents at the beginning of the period	345,622	246,254
Cash and cash equivalents at the end of the period	<b>616,029</b>	<b>348,522</b>

## Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB268.21 million, representing a period-on-period increase of RMB22.68 million, which was mainly due to the increase in cash inflows from operating activities as a result of the Group's intensified efforts in collecting accounts receivable.

### Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB184.74 million, representing a period-on-period decrease of RMB153.66 million, primarily due to the decrease in payment for purchase of property, plant and equipment and construction in progress.

### Net cash generated from financing activities

During the Reporting Period, net cash generated from financing activities of the Group amounted to RMB186.93 million, representing a period-on-period decrease of RMB8.2 million, primarily due to an increase in loan repayments and borrowings during the Reporting Period.

### COMMITMENTS

As at the end of the Reporting Period, purchase commitments of the Group in connection with construction contracts were as follows:

Item	As at 30 June 2025 (RMB'000)	As at 30 June 2024 (RMB'000)
Contracted for	129,331	153,272
Authorized but not contracted for	223,701	184,075
<b>Total</b>	<b>353,032</b>	<b>337,347</b>

### FOREIGN EXCHANGE RISK

The Group's functional currency is RMB. Foreign exchange risks faced by the Group were mainly derived from account payables arising from procurement which were mainly denominated in currencies including Hong Kong dollars and US dollars. Other than that, most of the assets and transactions of the Group were denominated in RMB, and the capital expenditures of the Group's domestic business were generally funded in RMB. As a result, the Group is not exposed to significant foreign exchange risks.

The Group did not use any financial instruments to hedge against any foreign exchange risks.

## **CONTINGENT LIABILITIES**

As at the end of the Reporting Period, the Group provided guarantees for banking facilities of 雲浮光嘉海中環保科技有限公司 (Yunfu Guangjia Haizhong Environmental Protection Technology Co., Ltd.\*), an associate of the Group, amounting to RMB24,000,000 (31 December 2024: RMB24,000,000). As at the end of the Reporting Period, these facilities were utilised to the extent of RMB12,526,000 (31 December 2024: RMBNil). The Directors do not consider it probable that a claim will be made against the Group under any of these guarantees.

## **PLEDGE OF ASSETS**

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB75,280,000 (31 December 2024: RMB77,280,000) were secured by equipment provided by 洛陽海中環保科技有限責任公司 (Luoyang Haizhong Environmental Protection Technology Co., Ltd.\*), a subsidiary of the Group.

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB65,980,000 (31 December 2024: RMB47,550,000) were secured by plant and land provided by 寧海馨源泰環保科技有限公司 (Ninghai Xinyuantai Environmental Protection Technology Co., Ltd.\*), a subsidiary of the Group.

## **MATERIAL INVESTMENTS**

During the Reporting Period, the Group had no material investments, acquisitions, or disposals.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSET ACQUISITIONS**

During the Reporting Period, the Board has not approved any future plans for material investments or capital asset acquisitions.

## **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.



## **HUMAN RESOURCES**

During the Reporting Period, the Group attached great importance to human resources management and continued to improve and optimise the system, and regularly organised professional business training for employees in various positions to enhance their comprehensive vocational skills. During the Reporting Period, the Group organised professional knowledge and skills training in production safety, process technology, marketing business, financial and internal control, etc., organised cross-unit and multi-position rotation training for outstanding technical management members in a timely manner and arranged internal and external declaration and assessment of middle and senior level professions in the chemical division, environmental division and electrical and mechanical division, so as to promote professional training and skills enhancement of the Group's professional talent team.

As at the end of the Reporting Period, the Group had 3,062 (31 December 2024: 3,288) employees. The remuneration of employees is determined by qualifications, experience, work performance and market conditions. As required by the China's regulations on social insurance, the Group participated in the social insurance schemes operated by local government authorities which include pension insurance, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

During the Reporting Period, the total remuneration of employees (including the remuneration of the Directors) was approximately RMB219.35 million (30 June 2024: approximately RMB191.95 million).

## **FUTURE PLAN AND OUTLOOK**

2025 is a pivotal year for China to deepen environmental governance and advance its “dual carbon” goals. Strengthening the regulation of hazardous waste landfill disposal and promoting standardized hazardous waste treatment will be key focal points of national environmental policies. Enterprises with full-chain service capabilities, core technological advantages, and refined operational expertise will embrace broader development opportunities. Anchoring its dual roles as a “policy responder” and “technology leader”, and guided by the overarching principle of “capacity utilization, efficiency enhancement, and accelerated development”, the Group will focus on its core environmental protection business, and leverage synergies across industries alongside refined management strengths to persistently consolidate its core competitiveness. To this end, the Group will focus on the following aspects of work:

### **Enhancing synergies for principal businesses promotion while strengthening core businesses to drive development**

The Group will continue to consolidate its synergistic advantages in the environmental protection industry by proactively sourcing information on mature industrial projects such as sludge drying, alternative fuels and medical waste. Through thorough evaluation and site selection, the Group aims to promote large-scale development of these sectors. It will also advance its strategic layout in resource utilization industry, with a focus on areas such as construction waste recycling, rare and precious metals recovery, and new energy recycling. In-depth research and multi-dimensional feasibility studies will be conducted to assess project viability. Seizing the policy opportunity brought by national restrictions on hazardous waste landfill, the Group will intensify cooperation with domestic waste-to-energy enterprises to facilitate upstream planning of fly ash treatment projects. By simultaneously advancing both establishment and acquisition for projects, the Group will increase engagement with listed environmental companies and actively explore opportunities for overseas synergistic project development.

### **Expanding volume and raising prices to stabilize operations while enhancing efficiency through lean management**

In terms of market expansion, the Group will continue to strengthen its market development efforts for bulk solid waste, including fluorine-containing sludge, lime slag and tailings. It will closely monitor bidding activities from oilfield enterprises to increase the intake of general solid waste and oily sludge, thereby boosting project capacity utilization. The Group will enhance industry communication and cooperation to maintain and stabilize market prices, with a strong focus on improving service quality and implementing multiple measures to stabilize and increase pricing. Leveraging the favorable landfill reduction policies, the Group will utilize the platform advantages of regional hazardous waste (fly ash) treatment centers to actively expand the market share of fly ash disposal projects. It will also seize opportunities arising from environmental protection policies by staying responsive to emergency project needs, thereby improving overall profitability. Additionally, efforts will be made to accelerate development of upstream markets for alternative fuels in the Yangtze River Delta and Pearl River Delta regions, strengthening control over alternative fuel sources and improving operational efficiency.

In terms of operation and management, the Group will promote deeper integration of production management with cement plant partners, and firmly advance technical upgrades and improvements to enhance disposal efficiency. It will also strengthen meticulous cost control, with a focus on optimizing material consumption, labor allocation, transportation, and sales expenses. These efforts aim to reduce costs and improve operational efficiency.

## **Innovation-driven formulating advantage while technology empowerment compiling new chapters**

The Group will fully leverage the research and development platforms of its environmental protection research institute and academician workstation, and focus on key areas such as new pollutant treatment, sludge deodorization and wall-breaking agents. It will deepen technological research and accelerate the conversion of technological achievements into practical applications. Efforts will be intensified to promote technological iteration, aiming to reduce costs and enhance efficiency in fly ash projects, thereby strengthening the Group's core competitiveness. At the same time, the Group will accelerate digitalization by continuously advancing the promotion and application of its hazardous waste information system to enhance standardized management capabilities.

## **Strengthening management for quality and efficiency while mitigating risks to safeguard the bottom line**

The Group will enhance control over trade receivables by improving the customer credit rating system, strengthening contract performance tracking, and optimizing the assessment system for receivables collection. These measures aim to accelerate payment recovery and ensure stable and secure cash flow. Focusing on key business areas, the Group will reinforce supervision over policy implementation to improve risk prevention capabilities. It will also solidify the foundation of safety management, foster a strong environmental protection mindset, and uphold its responsibilities as an environmental enterprise through high standards and practices.

## **INTERIM DIVIDEND**

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Board confirmed that the Company has complied with the principles and all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout the Reporting Period.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company 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 for dealing in securities of the Company by the Directors. Having made specific enquiries by the Company, all Directors confirmed that they complied with the Model Code during the Reporting Period.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)).

As at the end of the Reporting Period, the Company did not hold any treasury shares (including any treasury shares held or deposited in CCASS (as defined in the Listing Rules)).

## **REVIEW OF THE INTERIM RESULTS**

The Audit Committee, which comprises three independent non-executive Directors, namely Ms. WANG Jiafen, being the chairlady of the Audit Committee, Mr. DING Wenjiang and Ms. LI Chen, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2025. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

## **MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD**

Since the end of the Reporting Period and up to the date of this announcement, there has been no material events affecting the Group that require to be disclosed.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT**

This results announcement is available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.conchenviro.com](http://www.conchenviro.com)). The interim report of the Company for the six months ended 30 June 2025 will be published on the above websites, and will be despatched to the Shareholders who have already provided instructions indicating their preference to receive hard copies in due course.

On behalf of the Board  
**China Conch Environment Protection Holdings Limited**  
**LI Qunfeng**  
*Chairman*

Anhui Province, the People's Republic of China  
26 August 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.*

\* For identification purpose only