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 the shareholders of the Company (the "**Shareholders**") and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group and the information currently available to the Board, the Group is expected to record a profit attributable to owners of the Company in the range of approximately RMB88.0 million to approximately RMB89.0 million for the year ended 31 December 2025 (the "**Year**"), representing an increase in the range of approximately 46.7% to approximately 48.3% as compared with the profit attributable to owners of the Company of approximately RMB60.0 million recorded for the year ended 31 December 2024. The Group is expected to record revenue of approximately RMB325.4 million for the Year, representing an increase of approximately 39.1% as compared with the revenue of approximately RMB233.9 million recorded for the corresponding period in 2024.

The Board considers that the increase in profit attributable to owners of the Company and the increase in the Group's revenue were primarily and collectively attributable to: (i) a rise in the selling prices of the Group's main products, namely pyrite concentrate and sulphuric acid, during the Year, which substantially boosted the Group's overall revenue and profitability. The Group's gross profit margin increased from approximately 56.3% for the year ended 31 December 2024 to approximately 59.7% for the Year; and (ii) the Group 's commencement of the production and sales of new downstream sulphuric acid products, namely sulfamic acid and magnesium fertilizer, in the fourth quarter of the Year, which contributed additional revenue for the Year. However, the year-on-year increase in profit attributable to owners of the Company was partially offset by the increase in administrative expenses and research and development-related expenditures during the Year.

As the Company is still in the process of finalising the annual results of the Group for the Year, 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 which is expected to be published by the end of March 2026 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 2026

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.