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 2026 (the "**First Half of 2026**") and information currently available to the Board, the Group is expected to record loss attributable to equity shareholders of the Company for the First Half of 2026 in the range of approximately RMB10 million to RMB25 million and the net profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 was approximately RMB4.33 million.

The expected decline mentioned above is primarily attributable to: (1) the Group actively expanded its market presence and achieved stable growth in the total volume of solid and hazardous waste disposal, including alternative fuels, in the First Half of 2026; however, the overall market continued to be highly competitive, with disposal prices declining persistently and gross profit margins narrowing; (2) the operating rate of cement kilns trended downwards, with capacity utilisation rates in regions such as Henan and the Northwest remaining insufficient; (3) the oil sludge segment recorded inadequate inbound volumes, while disposal costs remained relatively high; and (4) the relevant government subsidies recognised decreased as compared with the corresponding period.

The Company has taken/will take certain measures to improve its operating performance, including: (1) adhering to the operational strategies of stabilising and increasing prices for hazardous waste, optimising the customer structure, expanding the proportion of high-value materials, proactively engaging in communication and exchanges with industry peers, promoting the development of a sound industry ecosystem, and enhancing the economic benefits of the Company; (2) deepening its presence in county-level markets, expanding the business of bulk solid waste and contaminated soil, advancing the deployment of alternative fuel sources and expanding the scale of raw material supply, so as to consolidate and increase market share; (3) continuously strengthening production management with cement enterprises and plants, optimising cost control for production operations, and promoting cost reduction and efficiency enhancement; and (4) accelerating the research and implementation of projects in respect of mature industries such as medical waste, strengthening forward-looking technology research and development, and enhancing the core competitiveness of the Company.

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 2026. 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 2026. 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 2026, which is expected to be published by the end of August 2026.

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

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

Anhui Province, the People's Republic of China
24 July 2026

As at the date of this announcement, the Board comprises Mr. ZHOU Xiaochuan (Chairman), Mr. WANG Chunjian (General Manager) and Ms. LIAO Dan as executive Directors; Mr. LIU Tiantian, 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.