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 RMB68.0 million to approximately RMB69.0 million for the six months ended 30 June 2026 (the "**Period**"), representing an increase in the range of approximately 86.8% to approximately 89.6% as compared with the profit attributable to owners of the Company of approximately RMB36.4 million recorded for the corresponding period in 2025. The Group is expected to record revenue of approximately RMB187.5 million for the Period, representing an increase of approximately 40.3% as compared with the revenue of approximately RMB133.6 million recorded for the corresponding period in 2025.

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) an increase in the average selling prices of the Group's principal products, namely sulphuric acid, during the Period, which significantly enhanced the Group's overall revenue and profitability; and (ii) the Group's commencement of the production and sales of new downstream sulphuric acid products, namely sulfamic acid and magnesium fertiliser, in the fourth quarter of 2025, which generated additional revenue for the Period. The Group's gross profit margin increased from approximately 59.2% for the six months ended 30 June 2025 to approximately 68.1% for the Period.

As the Company is still in the process of finalising the interim results of the Group for the Period, 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 interim results announcement of the Group for the Period which is expected to be published by the end of August 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, 21 August 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.