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 2026

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 June 2026 amounted to approximately RMB764.99 million, representing a period-on-period decrease of 1.57%.

- Net loss attributable to equity shareholders of the Company for the six months ended 30 June 2026 amounted to approximately RMB17.94 million, whereas the net profit attributable to equity shareholders of the Company for the six months ended 30 June 2025 amounted to approximately RMB4.33 million.

- The Board resolved not to declare any interim dividend for the six months ended 30 June 2026.

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 2026 (the "**Reporting Period**").

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2026 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 2026 — unaudited
(Expressed in Renminbi yuan)

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
Revenue	*3*	**764,992**	777,184
Cost of sales		**(546,500)**	(530,931)
Gross profit		**218,492**	246,253
Other income	*4*	**1,467**	37,756
Distribution costs		**(49,162)**	(58,740)
Administrative expenses		**(146,730)**	(150,981)
Impairment loss on trade and bills receivables		**(2,917)**	(9,528)
Profit from operations		**21,150**	64,760
Finance costs	*5(a)*	**(50,738)**	(60,902)
Share of profits and losses of associates	*8*	**966**	(1,195)
(Loss)/Profit before taxation	*5*	**(28,622)**	2,663
Income tax	*6*	**(9,699)**	(11,696)
Loss for the period		**(38,321)**	(9,033)
Attributable to:			
Equity shareholders of the Company		**(17,935)**	4,325
Non-controlling interests		**(20,386)**	(13,358)
Loss for the period		**(38,321)**	(9,033)
(Loss)/Earnings per share	*7*		
— Basic *(RMB cents)*		**(0.98)**	0.24
— Diluted *(RMB cents)*		**(0.98)**	0.24

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2026 — unaudited
(Expressed in Renminbi yuan)

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Loss for the period	**(38,321)**	(9,033)
Other comprehensive income for the year (after tax and reclassification adjustments)	**–**	–
Total comprehensive income for the period	**(38,321)**	(9,033)
Attributable to:		
Equity shareholders of the Company	**(17,935)**	4,325
Non-controlling interests	**(20,386)**	(13,358)
Total comprehensive income for the period	**(38,321)**	(9,033)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2026 — unaudited

(Expressed in Renminbi yuan)

	Notes	**At 30 June 2026** *RMB'000*	At 31 December 2025 *RMB'000*
Non-current assets			
Property, plant and equipment		**7,162,711**	7,233,781
Right-of-use assets		**313,574**	317,607
Intangible assets		**104,779**	112,833
Goodwill		**10,254**	10,254
Interests in associates	*8*	**35,990**	35,024
Non-current portion of trade and other receivables and other assets	*9*	**174,763**	179,616
Deferred tax assets		**30,241**	30,352
		7,832,312	7,919,467
Current assets			
Inventories		**27,947**	20,695
Trade and other receivables and other assets	*9*	**806,988**	846,609
Restricted bank deposits		**37,355**	55,426
Bank deposits with original maturity over three months		**72,000**	84,000
Cash and cash equivalents		**247,239**	437,788
		1,191,529	1,444,518
Current liabilities			
Loans and borrowings		**869,547**	713,946
Trade and other payables	*10*	**1,152,874**	1,338,017
Contract liabilities		**21,194**	20,631
Lease liabilities		**1,362**	1,519
Income tax payables		**384**	938
		2,045,361	2,075,051
Net current liabilities		**(853,832)**	(630,533)
Total assets less current liabilities		**6,978,480**	7,288,934

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

at 30 June 2026 — unaudited

(Expressed in Renminbi yuan)

	Notes	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Non-current liabilities			
Loans and borrowings		**1,140,862**	1,407,330
Long-term payables		**3,381**	6,761
Unsecured medium-term notes ("**MTN**")		**2,500,000**	2,500,000
Lease liabilities		**11,929**	11,569
Deferred tax liabilities		**25,106**	27,052
Deferred income		**25,766**	26,219
		3,707,044	3,978,931
Net assets		**3,271,436**	3,310,003
Capital and reserves	*11*		
Share capital		**14,837**	14,837
Reserves		**2,686,781**	2,704,716
Equity attributable to equity shareholders of the Company		**2,701,618**	2,719,553
Non-controlling interests		**569,818**	590,450
Total equity		**3,271,436**	3,310,003

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 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 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 2025 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 2025, except for the adoption of the following amended IFRS Accounting Standards for the first time for the current period's financial information.

Amendments to IFRS 9 and IFRS 7	*Amendments to the Classifications and Measurement of Financial Instruments*
Amendments to IFRS 9 and IFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to IFRS Accounting Standards —Volume 11	*Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7*

The amended IFRS Accounting Standards that are effective from 1 January 2026 did not have any significant impact on the Group's accounting policies and 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 2026 and 30 June 2025 recognised in the consolidated statements of profit or loss are as follows:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Revenue from contracts with customers within the scope of IFRS15, recognised over time		
Solid and hazardous waste solutions		
Industrial solid waste treatment services	**172,181**	185,265
Industrial hazardous waste treatment services		
— General hazardous waste	**359,970**	395,276
— Oil sludge	**44,576**	58,312
— Fly ash	**69,766**	43,966
	646,493	682,819
Revenue from contracts with customers within the scope of IFRS15, recognised at point in time		
Solid and hazardous waste solutions		
— Comprehensive resource utilization	**118,499**	94,365
	764,992	777,184

For the six months ended 30 June 2026, 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

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest income on bank deposits	**1,296**	2,963
Government grants	**4,783**	30,029
Net gain on disposal of property, plant and equipment	**536**	–
Others	**(5,148)**	4,764
	1,467	37,756

5 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Interest on loans and borrowings	**26,989**	31,087
Interest on lease liabilities	**326**	223
Interest on unsecured MTN	**24,770**	32,549
Total interest expense on financial liabilities not at fair value through profit or loss	**52,085**	63,859
*Less: interest expense capitalised in construction in progress	**(1,347)**	(2,957)
	50,738	60,902

(b) Other items:

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Cost of services provided	**546,500**	530,931
Depreciation of owned property, plant and equipment	**186,549**	167,312
Depreciation of right-of-use assets	**5,027**	6,042
Amortisation of intangible assets	**8,904**	9,027
Loss allowance for trade receivables	**2,917**	9,528
Short-term lease payments not included in the measurement of lease liabilities	**5,686**	3,525

6 INCOME TAX

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
Current tax — Hong Kong Profits Tax		
Provision for the period	**–**	–
Current tax — PRC Income Tax		
Provision for the period	**10,528**	14,572
Under provision in respect of prior years	**1,006**	1,556
Deferred tax:		
Origination and reversal of temporary differences, net	**(1,835)**	(4,432)
	9,699	11,696

(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 Company's subsidiaries incorporated in Hong Kong are subject to Hong Kong profits tax at 16.5% of the estimated assessable profits. No provision for Hong Kong profits tax has been made for the year ended 30 June 2026 (2025: Nil) as there were no assessable profits during the years ended 30 June 2026 and 2025.

(c) The provision for PRC income tax is based on a statutory rate of 25% of the assessable income of the Company's Chinese Mainland 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 2026, the Group does not expect a material exposure to Pillar Two income taxes

7 (LOSS)/EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2026 is based on the loss attributable to shareholders of the Company for the six months ended 30 June 2026 of RMB17,935,000 (30 June 2025: profit of RMB4,325,000) and the weighted average number of ordinary shares of 1,826,765,059 in issue (30 June 2025: 1,826,765,059).

Diluted earnings per share for the six months ended 30 June 2026 and 2025 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 2026, interests in associates represented share of net assets of four associates that are not individually material. For the six months period ended 30 June 2026, the Group recognised share of profits of associates in the amount of RMB966,000 in the consolidated statement of profit or loss (six months ended 30 June 2025: RMB-1,195,000).

9 TRADE AND OTHER RECEIVABLES AND OTHER ASSETS

	At 30 June 2026	At 31 December 2025
	RMB'000	*RMB'000*
Trade receivables		
— Third parties	**654,631**	690,263
— Related parties	**125,751**	119,178
Bills receivable, carried at amortised cost	**37,392**	35,051
Bills receivable, carried at FVTOCI	**17,197**	19,421
Less: loss allowance	**(121,412)**	(118,495)
Trade and bills receivables	**713,559**	745,418
Other receivables		
— Deposits	**16,888**	16,774
— VAT recoverable	**35,513**	35,397
— Others	**21,186**	28,623
— Less: loss allowance	**(1,410)**	(1,410)
Prepayments	**21,252**	21,807
Current portion of trade and other receivables and other assets	**806,988**	846,609
Non-current portion of trade and other receivables and other assets	**174,763**	179,616
Total current and non-current trade and other receivables and other assets	**981,751**	1,026,225

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 2026 RMB'000	At 31 December 2025 RMB'000
Current	**597,144**	644,341
Less than 1 year	**106,693**	90,830
1 to 2 years	**9,722**	10,247
	713,559	745,418

10 TRADE AND OTHER PAYABLES

	At 30 June 2026 RMB'000	At 31 December 2025 RMB'000
Trade payables		
— Third parties	**285,281**	320,898
— Related parties	**63,685**	55,936
Bills payable	**50,072**	65,127
Trade and bills payables	**399,038**	441,961
Other payables and accruals		
— Construction and equipment payables	**350,525**	371,336
— Deposits	**37,694**	36,461
— Other taxes and surcharges payables	**8,482**	9,591
— Accrued payroll and other benefits	**3,381**	101,624
— Accrued expenses	**74,185**	81,652
— Unsecured MTNs Due within One Year	**32,250**	25,480
— Others	**20,882**	35,739
	926,437	1,103,844
Dividends payable	**27,490**	27,244
Amounts due to related parties		
— Construction and equipment payables	**196,030**	203,841
— Others	**2,917**	3,088
Trade and other payables	**1,152,874**	1,338,017

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

	At 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
Within 1 year	**399,038**	441,961

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 30 June 2026 *RMB'000*	At 31 December 2025 *RMB'000*
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 2025:Nil)	**–**	–

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: 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 2026, the solid and hazardous waste disposal industry continued to face fierce competition, with disposal prices fluctuating at low levels. Concurrently, along with the decline in cement kiln utilization rates, the capacity utilization of co-processing projects was constrained. Coupled with the ongoing efforts by industrial waste-generating entities to reduce waste at source, the market operating environment has become increasingly challenging. Against this backdrop, the state has intensively rolled out a series of green governance policies, which have set a clear direction for the industry development.

In January 2026, the State Council issued the "Action Plan for Comprehensive Treatment of Solid Waste", clarifying goals for the comprehensive utilization of bulk solid wastes and resource recycling, and further advancing the regulatory governance of key fields. In July 2026, the Ministry of Ecology and Environment, the National Development and Reform Commission and other authorities issued the "15th Five-Year Plan for the Prevention and Control of Solid Waste Pollution," which proposes to comprehensively advance the investigation and remediation of latent pollution risks from existing solid waste stocks, promote the integrated treatment of historically stockpiled solid waste, strengthen whole-chain supervision over solid waste, achieving full-coverage information-based monitoring of solid waste in key fields.

Affected by external factors such as intensifying industry competition, the Group's operations are facing challenges at this stage. Nevertheless, the continued roll-out of favourable top-level environmental policies is accelerating the industry's transition towards greater standardisation, and the demand for compliant disposal of solid and hazardous waste continues to grow. The Group will closely follow the national policy direction on circular economy and pollution prevention, implement initiatives in market expansion, cost control and operational quality enhancement, fully leverage its industrial synergy advantages, seize the opportunities arising from the industry's standardisation upgrade, gradually alleviate operational pressures, and promote the Group's steady and sustainable development.

BUSINESS REVIEW

During the Reporting Period, the Group concentrated its efforts on market development, actively implemented various measures to reduce costs and increase efficiency, effectively reduced operating expenses, continuously optimised cash flow management, and promoted a steady year-on-year decline in accounts receivable. Externally, the Group accelerated project research and feasibility studies in mature industries; internally, it deepened resource integration, strengthened technology-driven empowerment, and continued to fortify its risk management and control system, thus ensuring the smooth and orderly operation of production activities.

In terms of project development, the Group focused on mature businesses such as medical waste, fly ash and sludge treatment, actively sought high-quality project opportunities, and intensified its efforts in project investigation and investment appraisal. During the Reporting Period, the Group successfully signed the Sichuan Bazhong general solid waste (50,000 tonnes/year) project and conducted feasibility studies on sludge and fly ash treatment projects in Anhui, Guangdong and other regions, further consolidating the Group's project pipeline.

In terms of project expansion, the Taizhou Fly Ash Treatment Project commenced operation in the second quarter, with a disposal capacity of 50,000 tonnes per annum. The project adopts a "water washing + low-temperature thermal decomposition" process and has been included in the list of major construction projects in Taizhou and the "Zero-Waste City" construction project repository. At the end of the Reporting Period, the construction of the Chaohu Fly Ash Treatment Project was at a critical stage. This project constitutes an important component unit of the Special Category Hazardous Waste (Fly Ash) Centralised Treatment Centre in the East China region, for which the Group has obtained construction approval.

At the end of the Reporting Period, the Group put into operation and constructed a total of 83 environmental protection projects in 21 provinces, municipalities, and autonomous regions across the country, including 39 general hazardous waste projects, 7 fly ash washing projects, 6 oil sludge treatment projects, 25 industrial solid waste projects and 6 comprehensive resource utilization projects. The treatment scale of the projects was approximately 12,181,100 tonnes per year (excluding projects subject to approval and to be constructed).

In terms of market development, the Group actively implemented the "County-based Expansion Initiative" (奔縣行動), penetrating deeply into county-level markets, with hazardous waste intake in the Guangxi region achieving significant growth. The Group focused on expanding solid waste volume and increasing revenue, successfully securing the disposal rights for a large-scale contaminated soil project in Tongling, Anhui, and promoting the expansion of solid waste businesses including calcium fluoride sludge, tailings slag, white mud and red mud, with steady growth in the intake of bulk solid waste in the East China region. The Group accelerated the source deployment of alternative fuels, actively explored the operation models for collection and storage projects, continuously broadened the feedstock channels for alternative fuels, with business volume increasing by over 40% period on period.

In terms of operation and management, the Group further advanced quality and efficiency enhancement, increased revenue and reduced expenditure, and solidly implemented various cost-reduction measures. During the Reporting Period, the Group continued to strengthen benchmark management of production indicators, with electricity consumption, auxiliary materials and spare parts consumption declining period on period; steadily improved the efficiency of regional integrated operations, achieving effective integration of human resources; leveraged the centralised procurement and professional logistics platforms to further reduce procurement and transportation costs; and strengthened production management collaboration with cement plant disposal facilities, with the operation rates of core systems such as slurry and inorganic waste comprehensively improved.

During the Reporting Period, the total treatment volume of industrial hazardous waste of the Group was approximately 521,300 tonnes, representing a period-to-period increase of approximately 0.5%, among which approximately 427,200 tonnes were general hazardous waste, approximately 44,200 tonnes were oil sludge, and approximately 49,900 tonnes were fly ash; approximately 403,300 tonnes of alternative fuels were produced and sold, representing a period-on-period increase of approximately 46.59%; and approximately 882,600 tonnes of industrial solid waste were disposed of, representing a period-on-period increase of approximately 3.75%.

In terms of technological innovation, the Group adhered to the dual-drive approach of technological innovation and management innovation, accelerating the transformation and application of innovation outcomes. During the Reporting Period, the Company actively promoted the conversion of forklifts from fuel to electric power, remote operation of overhead cranes, and time-controlled retrofitting of lighting systems, effectively broadening the scope for cost reduction. The Group further advanced its digital and intelligent transformation, with the full-process information management system for hazardous waste having covered 39 subsidiaries. The "Five-Instant" (五即) information technology products developed by Haihuan Zhilian (海環智聯), which are independently owned intellectual properties of the Group, have been successfully launched into the external market.

FINANCIAL PROFITABILITY

Item	**January-June 2026 Amount** *(RMB'000)*	January-June 2025 Amount *(RMB'000)*	**Changes between the Reporting Period and the corresponding period of the previous year** *(RMB'000)*
Revenue	**764,992**	777,184	–12,192
(Loss)/profit before taxation	**–28,622**	2,663	–31,285
Loss for the period	**–38,321**	–9,033	–29,288
Net (loss)/profit attributable to equity shareholders of the Company	**–17,935**	4,325	–22,260

During the Reporting Period, the Group recorded revenue of RMB764.99 million, representing a period-on-period decrease of RMB12.19 million. Profit before taxation amounted to RMB-28.62 million, representing a period-on-period decrease of RMB31.29 million. Profit for the period amounted to RMB-38.32 million, representing a period-on-period decrease of RMB29.29 million. Net profit attributable to equity shareholders of the Company amounted to RMB-17.94 million, representing a period-on-period decrease of RMB22.26 million.

Revenue by business segment

	January-June 2026		January-June 2025			
Item	**Amount**	**Percentage**	Amount	Percentage	Change in amount	Change in percentage
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*	*(%)*	*(Percentage points)*
Industrial hazardous waste treatment services	**474,312**	**62.00**	497,554	64.02	–4.67	–2.02
General hazardous waste	**359,970**	**47.06**	395,276	50.86	–8.93	–3.80
Oil sludge	**44,576**	**5.83**	58,312	7.50	–23.56	–1.68
Fly ash	**69,766**	**9.12**	43,966	5.66	58.68	3.46
Industrial solid waste treatment services	**172,181**	**22.51**	185,265	23.84	–7.06	–1.33
Comprehensive resource utilization	**118,499**	**15.49**	94,365	12.14	25.58	3.35
Total	**764,992**	**100.00**	777,184	100.00	–	–

During the Reporting Period, revenue of the Group was derived from three main 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 segments:

(i) Revenue from **industrial hazardous waste treatment services** was RMB474.31 million, representing a period-on-period decrease of 4.67%, of which:

Revenue from **general hazardous waste** was RMB359.97 million, representing a period-on-period decrease of 8.93%. The decrease in revenue was mainly attributable to the following reasons: firstly, the intensified market competition resulting in the decrease of the market prices in Jiangxi, Guangdong and Shaanxi; and secondly, a decline in emergency hazardous waste intake in provinces such as Hunan and Anhui.

Revenue from **oil sludge treatment** was RMB44.58 million, representing a period-on-period decrease of 23.56%. This was primarily due to customers' reduced-volume treatment requirements and intensified market competition, resulting in insufficient treatment volume.

Revenue from **fly ash treatment** was RMB69.77 million, representing a period-on-period increase of 58.68%. This was primarily due to the commissioning of the new fly ash project in Taizhou and the resumption of production at the Yiyang company in Hunan.

(ii) Revenue from **industrial solid waste treatment services** was RMB172.18 million, representing a period-on-period decrease of 7.06%. This was primarily due to price declines in Sichuan, Hunan, Jiangxi and other provinces.

(iii) Revenue from **comprehensive resource utilization** was RMB118.50 million, representing a period-on-period increase of 25.58%. This was primarily due to the rapid growth of the alternative fuel business.

Gross profit and gross profit margin

Item	**January-June 2026**		January-June 2025			
	Gross profit	**Gross profit margin**	Gross profit	Gross profit margin	**Change in amount**	**Change in gross profit margin**
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*	*(%)*	*(Percentage points)*
Industrial hazardous waste treatment services	**141,419**	**29.82**	168,321	33.83	–15.98	–4.01
General hazardous waste	**138,037**	**38.35**	142,387	36.02	–3.06	2.33
Oil sludge	**–13,341**	**–29.93**	17,429	29.89	–176.54	–59.82
Fly ash	**16,723**	**23.97**	8,505	19.34	96.63	4.63
Industrial solid waste treatment services	**62,004**	**36.01**	74,363	40.14	–16.62	–4.13
Comprehensive resource utilization	**15,070**	**12.72**	3,569	3.78	322.25	8.94
Total	**218,493**	**28.56**	246,253	31.69	–11.27	–3.13

During the Reporting Period, the Group recorded a gross profit of RMB218.49 million, representing a period-on-period decrease of 11.27%. With a breakdown by business segments:

(i) Gross profit margin for **industrial hazardous waste treatment services** was 29.82%, representing a period-on-period decrease of 4.01 percentage points, among which:

Gross profit margin for **general hazardous waste** was 38.35%, representing a period-on-period increase of 2.33 percentage points, which was primarily due to the Group's continued strengthening of cost control, resulting in a decrease in costs and a corresponding increase in gross profit margin.

Gross profit margin for **oil sludge treatment** was -29.93%, representing a period-on-period decrease of 59.82 percentage points, which was primarily due to insufficient treatment volume, resulting in failure of fixed cost dilution.

Gross profit margin for **fly ash treatment** was 23.97%, representing a period-on-period increase of 4.63 percentage points, which was primarily due to the resumption of production at the Yiyang project, as well as improved operational quality at other projects.

(ii) Gross profit margin for **industrial solid waste treatment services** was 36.01%, representing a period-on-period decrease of 4.13 percentage points, which was primarily due to price declines in Sichuan, Hunan, Chongqing and other provinces/ municipalities.

(iii) Gross profit margin for **comprehensive resource utilization** was 12.72%, representing a period-on-period increase of 8.94 percentage points, which was primarily due to the continued expansion of the alternative fuel business, driving an overall increase in the gross profit margin of this segment.

Other income

During the Reporting Period, the Group's other income amounted to RMB1.47 million, representing a period-on-period decrease of RMB36.29 million, or 96%, which was primarily due to a period-on-period decrease in government grants received during the period.

Distribution costs

During the Reporting Period, the Group's distribution costs amounted to RMB49.16 million, representing a period-on-period decrease of RMB9.58 million, or 16.3%, 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 RMB146.73 million, representing a period-on-period decrease of RMB4.25 million, or 2.82%, which was primarily due to the Group's continued enhancement of cost control measures, leading to a reduction in such expenses.

Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB50.74 million, representing a period-on-period decrease of RMB10.16 million, or 16.69%.

Profit before taxation

During the Reporting Period, the Group's profit before taxation amounted to RMB-28.62 million, representing a period-on-period decrease of RMB31.29 million and share of profit of associates amounted to RMB0.97 million, representing a period-on-period increase of RMB2.16 million.

FINANCIAL POSITION

As at the end of the Reporting Period, the Group's total assets amounted to RMB9,023.84 million, representing a decrease of RMB340.15 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB2,701.62 million, representing a decrease of RMB17.93 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 63.75%, representing a decrease of 0.90 percentage point as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	**As at 30 June 2026** ***(RMB'000)***	As at 31 December 2025 *(RMB'000)*	**Change between the end of the Reporting Period and the end of the previous year** *(%)*
Property, plant and equipment	**7,162,711**	7,233,781	–0.98
Non-current assets	**7,832,312**	7,919,467	–1.10
Current assets	**1,191,529**	1,444,518	–17.51
Non-current liabilities	**3,707,044**	3,978,931	–6.83
Current liabilities	**2,045,361**	2,075,051	–1.43
Net current liabilities	**853,832**	630,533	35.41
Equity attributable to equity shareholders of the Company	**2,701,618**	2,719,553	–0.66
Total assets	**9,023,841**	9,363,985	–3.63
Total liabilities	**5,752,405**	6,053,982	–4.98

Non-current assets and current assets

As at the end of the Reporting Period, non-current assets of the Group amounted to RMB7,832.31 million, representing a decrease of 1.1% as compared to the end of the previous year.

Current assets of the Group amounted to RMB1,191.53 million, representing a decrease of 17.51% as compared to the end of the previous year, primarily attributable to the decrease in bank deposit due to the repayment of long-term borrowings by the Group and increase in operating expenses.

Non-current liabilities and current liabilities

Non-current liabilities of the Group amounted to RMB3,707.04 million, representing a decrease of 6.83% as compared to the end of the previous year, primarily due to the repayment of certain long-term borrowings due over one year during the Reporting Period.

Current liabilities of the Group amounted to RMB2,045.36 million, representing a decrease of 1.43% as compared to the end of the previous year, primarily due to the payment of account payables during the Reporting Period.

As at the end of the Reporting Period, current ratio of the Group was 0.58 (compared to 0.7 at the end of the previous year) and gearing ratio (calculated as total borrowings divided by total equity) was 1.38 (compared to 1.4 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 RMB853.83 million, representing an increase of RMB223.3 million as compared to the end of the previous year, mainly due to the repayment of long-term borrowings and settlement of operating payables during the Reporting Period, which resulted in a decline in the bank deposit balance and consequently a corresponding decrease in net current liabilities.

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 RMB2,701.62 million, representing a decrease of 0.66% as compared to the end of the previous year.

LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, the Group increased the returns on its existing funds, enhanced capital planning and management and conducted reasonable allocation of project loans, so as to fully satisfy the Company's capital needs. As of 30 June 2026, the Group's cash and cash equivalents amounted to RMB247.24 million, which were mainly denominated in RMB.

Bank loans

Item	**As at 30 June 2026** ***(RMB'000)***	As at 31 December 2025 *(RMB'000)*
Due within one year	**869,547**	713,946
Due after one year but within two years	**854,711**	981,785
Due after two years but within five years	**235,965**	382,229
Due after five years	**50,186**	43,316
Total	**2,010,409**	2,121,276

As at the end of the Reporting Period, the Group's bank loan balance amounted to RMB2,010.41 million, representing a decrease of RMB110.87 million as compared to the end of the previous year, primarily due to the repayment of a portion of long-term borrowings during the Reporting Period. As at 30 June 2026, 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 RMB247.24 million, representing a period-on-period decrease of RMB368.79 million.

Item	**January to June 2026** ***(RMB'000)***	January to June 2025 *(RMB'000)*
Net cash generated from operating activities	**80,256**	268,213
Net cash used in investing activities	**–113,831**	–184,735
Net cash generated from financing activities	**–156,974**	186,929
Net increase in cash and cash equivalents	**–190,549**	270,407
Cash and cash equivalents at the beginning of the period	**437,788**	345,622
Cash and cash equivalents at the end of the period	**247,239**	616,029

Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB80.26 million, representing a period-on-period decrease of RMB187.96 million, which was mainly due to the increased procurement resulting from the expansion of the alternative fuels business, coupled with a decrease in collections of accounts receivable.

Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB-113.83 million, representing a period-on-period increase of RMB70.9 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 RMB-156.97 million, representing a period-on-period decrease of RMB343.9 million, primarily due to the issuance of RMB1.0 billion green medium-term notes in 2025 generating financing inflows, and increased cash outflows from repayment of certain long-term borrowings in 2026, which collectively resulted in the decrease in net amount.

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 2026 *(RMB'000)***	As at 31 December 2025 *(RMB'000)*
Contracted for	**55,380**	65,727
Authorized but not contracted for	**110,920**	212,067
Total	**166,300**	277,794

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. 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 income. 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

At the end of the reporting period, the Group did not have any significant contingent liabilities.

PLEDGE OF ASSETS

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB71,280,000 (31 December 2025: RMB73,349,000) 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 RMB46,050,000 (31 December 2025: RMB74,677,000) were secured by plant and right-of-use asset 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.

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB16,594,000 (31 December 2025: RMB17,609,000) were secured by equipment 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

The Group places great emphasis on human resources management, as well as the development and enhancement of its systems. Regular professional and technical training programmes are organised for employees to strengthen their overall competencies in their respective fields. During the Reporting Period, the Group conducted training sessions across various professional categories, covering areas such as work safety, process technology, marketing, and financial and internal control practices. Outstanding technical and management personnel were selected for rotational assignments to gain practical experience. In parallel, the Group advanced the internal and external application and assessment processes for intermediate and senior professional technical titles in disciplines including chemical engineering, environmental science, and mechanical and electrical engineering, thereby continuously reinforcing the development of its professional workforce.

As at the end of the Reporting Period, the Group had 2,653 (2025: 2,854) 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 RMB156.36 million (30 June 2025: approximately RMB202.49 million).

FUTURE PLAN AND OUTLOOK

2026 marks the first year of the national "15th Five-Year Plan" period. At the national level, guiding policies for comprehensive treatment of solid waste have been intensively introduced, stepping up efforts to address historically accumulated solid waste and further tightening the regulatory requirements for the full process of solid waste disposal. Leading environmental protection enterprises with core technological strengths and refined management capabilities will embrace broader development opportunities. The Group will focus on core areas including market expansion, refined management and control, innovation-driven empowerment, and optimisation of industrial layout, so as to continuously consolidate its operational foundation and enhance its core competitiveness. To this end, the Group will focus on advancing the following works:

Coordinating synergistic industrial layout to enhance project investment return

The Group will focus on the development of its core environmental protection business, adhere to the philosophy of "profitable investment", and pursue both mergers and acquisitions and new project development in parallel, thereby promoting its high-quality development. First, the Group will conduct thorough feasibility studies for cement kiln co-treatment projects with stable market demand and reliable profitability based on actual market conditions. Second, the Group will closely align with the development plan, accelerate the research and implementation of mature industries such as medical waste disposal, and continuously expand its portfolio of high-quality projects. Third, the Group will fully leverage its industrial synergy advantages to focus on resource-oriented business directions such as fly ash treatment and alternative fuels. Seizing the policy opportunity arising from national restrictions on hazardous waste landfill, the Group will proactively engage with waste-to-energy enterprises to solidify its cooperative ecosystem. It will also promote the sourcing and storage of alternative fuels at source, expand the scale of raw material supply, and establish a full-chain development model.

Advancing market expansion and price increases and tapping the potential for operational cost reduction

In terms of market expansion, firstly, the Group will steadfastly advance the "county penetration" initiative to densify its grassroots market network, deepen integrated market operations within the province, and solidify its market foundation. Secondly, the Group will implement measures to stabilise and increase hazardous waste prices, optimise its customer structure, expand the proportion of high-value materials, and proactively engage in dialogue and exchanges with industry peers to foster a favourable industry ecosystem and enhance the Company's economic benefits. Thirdly, the Group will focus on expanding solid waste volumes, tackling key contaminated soil projects, and advancing the development of bulk solid waste businesses such as phosphogypsum, calcium fluoride, white mud and slag, so as to broaden its revenue channels.

In terms of operation and management, firstly, the Group will conduct regular benchmarking management of production indicators, fully leverage the effectiveness of the "red and black list", and formulate assistance plans and improvement strategies for underperforming production units, so as to drive the enhancement of operational quality and efficiency through indicator optimisation. Secondly, the Group will strengthen meticulous cost control with a focus on unlocking potential in areas such as material consumption, workforce optimisation and transportation cost management, so as to promote cost reduction and efficiency enhancement. Thirdly, the Group will continuously promote the integration of production and management across its cement plant operations, expand the co-treatment capacity for solid and hazardous waste, and enhance production efficiency.

Adhering to accelerating innovation and deepening digital and intelligent transformation

The Group will accelerate digital and intelligent transformation, promote the implementation of information system among waste-generating companies, and facilitate the conversion of innovation outcomes into operating results. It will deepen the innovation work of all employees, and by focusing on key areas such as cost control, efficiency enhancement, and quality improvement in management, systematically identify replicable and spreadable innovation practices and strengthen marketing efforts.

Reinforcing the foundation of corporate governance and ensuring orderly business operations

The Group will enhance control over trade receivables on one hand by strengthening contract performance tracking, and optimizing the assessment system for receivables collection to enhance the efficiency of debt collection; and the Group will promote streamlining and reorganization on the other hand by proactively implementing specialized plans to reduce losses and accelerating disposal of distressed assets to optimize asset structure. Furthermore, the Group will continue to improve internal control system, with a focus on key risk areas, and enhance the rectification of issues through regular inspections, daily audits and other means. At last, the Group will reinforce the foundation of safety and environmental management by conducting routine and systematic safety hazard inspections and rectifications, and strictly and rigorously fulfilling the safety management responsibilities.

INTERIM DIVIDEND

The Board has resolved not to declare any interim dividend for the six months ended 30 June 2026 (30 June 2025: 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 2026. 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 event 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) and the website of the Company (www.conchenviro.com). The interim report of the Company for the six months ended 30 June 2026 will be published on the above websites, and will be dispatched 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
ZHOU Xiaochuan
Chairman

Anhui Province, the People's Republic of China
26 August 2026

As at the date of this announcement, the Board comprises 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 Ms. WANG Jiafen, Ms. LI Chen and Mr. WANG Meng as independent non-executive Directors.

* *For identification purpose only*