

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)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITIONS OF THE TARGET COMPANIES**



红日资本有限公司

RED SUN CAPITAL LIMITED

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**

THE EQUITY INTERESTS TRANSFER AGREEMENTS

The Board is pleased to announce that, on 30 September 2026 (after trading hours), Anhui Conch Environment Group and Wuhu Conch Environmental Protection, both being subsidiaries of the Company (as the Purchasers), entered into the Equity Interests Transfer Agreements with Anhui Haijing (as the Vendor) pursuant to which the Vendor agreed to sell and the Purchasers agreed to purchase the 100% equity interests in each of the Target Companies at a total acquisition consideration of RMB307 million.

LISTING RULES IMPLICATIONS

As the date of this announcement, Conch Cement is the controlling shareholder of the Company which, together with its subsidiaries and its Parties Acting in Concert, hold and control approximately 27% of the voting rights attached to all issued Shares. Conch Holdings is the holding company of Conch Cement holding approximately 37.55% of the voting rights attached to all issued shares of Conch Cement. The Vendor is a limited partnership established in PRC, which is held as to 99% by Conch Holdings and 1% by Anhui Conch Capital Management Co., Ltd.* (安徽海螺資本管理有限公司). Accordingly, the Vendor is a connected person of the Company and the Acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, when aggregated, is more than 5%, the Acquisitions are subject to reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, when aggregated, exceeds 25% but less than 100%, the Acquisitions constitute a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Equity Interests Transfer Agreements and the transactions contemplated thereunder. Red Sun Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions.

GENERAL

A circular containing, among other things, (i) further details in relation to the Equity Interests Transfer Agreements and the transactions contemplated thereunder, (ii) the recommendation of the Independent Board Committee in relation to the Acquisitions, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 October 2026, as the Company requires additional time to prepare and finalize the relevant information for inclusion in the circular.

Completion is subject to the fulfillment of certain conditions precedent set out in the Equity Interests Transfer Agreements and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE EQUITY INTERESTS TRANSFER AGREEMENTS

The Board is pleased to announce that, on 30 September 2026 (after trading hours), Anhui Conch Environment Group and Wuhu Conch Environmental Protection, both being subsidiaries of the Company (as the Purchasers), entered into the Equity Interests Transfer Agreements with Anhui Haijing (as the Vendor) pursuant to which the Vendor agreed to sell and the Purchasers agreed to purchase the 100% equity interests in each of the Target Companies at a total acquisition consideration of RMB307 million.

The principal terms of the Equity Interests Transfer Agreements are set out as follows:

	Tianjin Agreement	Shenyang Agreement	Dalian Agreement	Tieling Agreement
Date	30 September 2026 (after trading hours)	30 September 2026 (after trading hours)	30 September 2026 (after trading hours)	30 September 2026 (after trading hours)
Parties	(i) Anhui Haijing (as the vendor) (ii) Anhui Conch Environment Group (as the purchaser) (iii) Wuhu Conch Environmental Protection (as the purchaser) (iv) Tianjin Hanyang (as the target company)	(i) Anhui Haijing (as the vendor) (ii) Anhui Conch Environment Group (as the purchaser) (iii) Wuhu Conch Environmental Protection (as the purchaser) (iv) Shenyang Hanyang (as the target company)	(i) Anhui Haijing (as the vendor) (ii) Anhui Conch Environment Group (as the purchaser) (iii) Wuhu Conch Environmental Protection (as the purchaser) (iv) Dalian Hanyang (as the target company)	(i) Anhui Haijing (as the vendor) (ii) Anhui Conch Environment Group (as the purchaser) (iii) Wuhu Conch Environmental Protection (as the purchaser) (iv) Tieling Hanyang (as the target company)
Subject matter	(i) 90% equity interests in Tianjin Hanyang to Anhui Conch Environment Group (ii) 10% equity interests in Tianjin Hanyang to Wuhu Conch Environmental Protection	(i) 90% equity interests in Shenyang Hanyang to Anhui Conch Environment Group (ii) 10% equity interests in Shenyang Hanyang to Wuhu Conch Environmental Protection	(i) 90% equity interests in Dalian Hanyang to Anhui Conch Environment Group (ii) 10% equity interests in Dalian Hanyang to Wuhu Conch Environmental Protection	(i) 90% equity interests in Tieling Hanyang to Anhui Conch Environment Group (ii) 10% equity interests in Tieling Hanyang to Wuhu Conch Environmental Protection
Acquisition consideration	RMB136 million, of which (i) RMB122.40 million payable by Anhui Conch Environment Group (ii) RMB13.60 million payable by Wuhu Conch Environmental Protection	RMB109 million, of which (i) RMB98.10 million payable by Anhui Conch Environment Group (ii) RMB10.90 million payable by Wuhu Conch Environmental Protection	RMB37 million, of which (i) RMB33.30 million payable by Anhui Conch Environment Group (ii) RMB3.70 million payable by Wuhu Conch Environmental Protection	RMB25 million, of which (i) RMB22.50 million payable by Anhui Conch Environment Group (ii) RMB2.50 million payable by Wuhu Conch Environmental Protection

The acquisition consideration shall be settled in cash upon Completion. The determination of the acquisition consideration is set out in the paragraph headed “Basis of the acquisition consideration” below.

Conditions Precedent

Completion under each of the Equity Interests Transfer Agreements is subject to the following conditions precedent:

- (a) the Independent Shareholders have approved the Equity Interests Transfer Agreements and the transactions contemplated thereunder at the EGM; and
- (b) all other conditions precedent under other Equity Interests Transfer Agreements have been satisfied.

If any of the above conditions precedent is not satisfied on or before 31 December 2026, or such later date as agreed by the parties to the Equity Interests Transfer Agreements, the Equity Interests Transfer Agreements shall cease to have effect, and thereafter none of the parties to the Equity Interests Transfer Agreements shall have any liabilities and obligations thereunder, save for any antecedent breaches occurring prior to such termination.

As at the date of this announcement, none of the conditions precedent under each of the Equity Interests Transfer Agreements has been fulfilled.

Completion

Completion of the transfer of the equity interests under each of the Equity Interests Transfer Agreements will take place within 30 days after the conditions precedent have been fulfilled. Within 10 business days after Completion, the Purchasers shall pay the entire acquisition consideration in a single payment to the Vendor.

Upon Completion, each of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang will become a subsidiary of the Company and each of their financial results will be consolidated into the financial statements of the Company.

BASIS OF THE ACQUISITION CONSIDERATION

The acquisition consideration under each of the Equity Interests Transfer Agreements was determined after arm's length negotiations between the Purchasers and the Vendor with reference to the valuation results.

According to the Valuation Reports, as at the Valuation Date, the valuation results of total shareholders' equity of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang are RMB136 million, RMB109 million, RMB37 million and RMB25 million, respectively.

The Valuer adopted the income approach with the use of the discounted cash flow method in arriving at the valuation conclusion on each of the Target Companies as at the Valuation Date, which constitutes the profit forecast under Rule 14.61 of the Listing Rules.

The principal assumptions adopted by the Valuer in the Valuation Reports are set out in the paragraph headed “Key features of the Valuations” in this announcement. GTG CPA Limited, the reporting accountants of the Company, has reported on the arithmetic accuracy of the calculations of the discounted cash flow forecast underlying the Valuations and has confirmed the forecasts have been duly prepared based on the assumptions set out in the Valuation Reports. The full text of GTG CPA Limited’s report is set out in Appendix I to this announcement in for the purpose under Rule 14.60A(2) of the Listing Rules.

The Board confirms that the profit forecasts in respect of the Target Companies as set out in the Valuation Reports prepared by the Valuer has been made after due and careful enquiries. The letter from the Board is set out in Appendix II to this announcement in accordance with Rule 14.60A(3) of the Listing Rules.

KEY FEATURES OF THE VALUATIONS

Selection of Valuation Approach

The income approach is adopted in the Valuations. Under the income approach, the discounted cash flow method is adopted.

Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang have sustainable medical waste treatment capacity and have recorded relatively stable revenue in recent years. Medical waste treatment falls within the realm of rigid demand. Influenced by industry attributes and regulatory policies, market demand remains stable and exhibits strong counter-cyclicity. Leveraging their established reputation in the local market and stable customer resources, they have steadily expanded their business scale in recent years, with robust and highly predictable cash flows, demonstrating the ability to continuously generate stable returns. The management of the Target Companies expects that they will continue to operate as a going concern, and that the expected returns from overall profitability as well as the future operating risks can be objectively forecast and quantified. Accordingly, the income approach has been adopted for the Valuations.

Principal Assumptions Adopted for the Valuations

The principal assumptions adopted for the Valuations of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang are as follows:

(I) General assumptions

The Valuations are conducted based on the following general assumptions:

1. Transaction assumption: It assumed all assets to be valued are in the course of transaction and the Valuations by the Valuer are based on simulated market including terms and conditions of transaction of the assets to be valued;
2. Open market assumption: It is assumed that all parties to the assets transaction or the proposed assets transaction in the market are of equal position and have opportunities and time to obtain sufficient market information in order to make rational judgments on the assets including their functions, purposes and transaction prices; and

3. Continuing operations of assets assumption: It is assumed that the assets to be valued can be used continuously based on the current purpose, method of operation, scale, frequency and environmental conditions, etc., or can be used on a basis with certain changes thereto, where in such case, the corresponding valuation approach, parameters and benchmarks are determined accordingly.

(II) Specific assumptions

The special assumptions underlying the Valuations are as follows:

1. The external economic environment as at the Valuation Date remains unchanged and that there are no material changes in current national macroeconomic conditions.
2. There are no material changes in the socioeconomic environment in which the Target Companies operate, or in the applicable tax obligations, tax rates, and other policies.
3. The future management team of the Target Companies will duly perform their duties and will continue to maintain the existing operational management model.
4. The assets to be valued are in normal, reasonable, and lawful operation, use, and maintenance conditions within the scope permitted by foreseeable legal, economic, and technical conditions.
5. The hazardous waste business license currently held by the Target Companies can be successfully renewed upon its expiry, and that no material adverse changes occur to the renewal terms and conditions (such as treatment capacity, service area, and adjustment mechanism for charging standards).
6. The accounting policies to be adopted by the Target Companies in the future will be substantially consistent in all material respects with those adopted in the preparation of the Valuation Reports.
7. The Target Companies will maintain and will not have any substantial changes as to its principal business structure, the composition of its income and costs, and cost control and operating model for future operations during the future operational period will be broadly consistent with the future plans of the management of the Target Companies. No consideration is given to potential gains or losses arising from changes in the principal business conditions that may result from future changes in management of the Target Companies, business strategies, or the business environment.
8. The current charging policy for medical waste treatment will remain relatively stable during the forecast period.

9. The Target Companies will continue to strictly comply with the national environmental protection policies and local environmental regulations in their future operations, and there will not be any material environmental pollution incident or violations of laws and regulations that could result in the revocation of their business licences, prolonged suspension of operations for rectification, or imposition of substantial fines.
10. There will be no material changes to the national and local emission standards, and that the existing pollutant discharge indicators of the Target Companies will continue to satisfy the environmental protection requirements.
11. It is assumed that the basic information and financial information provided by the instructing party and the Target Companies are true, correct and complete.
12. The cash flows of the Target Companies are evenly on an inflow and outflow basis.
13. Pursuant to the Announcement of the Ministry of Finance, State Taxation Administration, National Development and Reform Commission and Ministry of Ecology and Environment on Enterprise Income Tax Policies for the Third-party Enterprises Engaged in Pollution Prevention and Control (Announcement No. 38 of 2023) , enterprise income tax shall be levied at a reduced rate of 15% on third-party enterprises engaged in pollution prevention and control, and the preferential policy is effective until 31 December 2027. Shenyang Hanyang filed and paid enterprise income tax in accordance with this preferential policy. In this Valuation, it is assumed that, against the backdrop of the State's continued encouragement of the green and environmental protection industry, Shenyang Hanyang will be able to continuously satisfy the requirements for enjoying the 15% preferential tax rate in the future and that the national tax incentive policy will be smoothly extended upon expiry; the 15% income tax rate is adopted for the forecast in the perpetual period.
14. There are no other force majeure events or unforeseeable factors that would have a material adverse impact on the Target Companies.

Key Valuations Inputs

Based on the valuation method adopted in the Valuation Reports, as at the Valuation Date, the appraised value of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang was calculated as the sum of (A) the value of operating assets and (B) the value of surplus and non-operating assets (liabilities), less (C) the value of interest-bearing liabilities.

Calculation model

$$E=B-D \quad (1)$$

Where:

E: The value of the total shareholders' equity (net assets);

B: The aggregate enterprise value;

$$B=P+C \quad (2)$$

P: The value of the operating assets;

$$P = \sum_{i=1}^n \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{r(1+r)^n} \quad (3)$$

Where:

R_i: Expected earnings of the i-th year in future (the free cash flow to the firm);

r: Discount rate;

n: Estimated future earnings period;

C: Value of surplus or non-operating assets (liabilities) existing on the valuation reference date;

D: Interest-bearing debt value.

(A) Value of operating assets

The value of operating assets is projected based on the forecast of free cash flows to the firm and discount rate for the Relevant Period (as defined below), as detailed below:

Forecast of the free cash flow to the firm

Based on an analysis of the business objectives, product mix, capital structure, operation and management standards, market development capabilities, as well as the external environment and development prospects of the industries in which Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang operate, the Valuer is of the view that Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang are highly likely to continue their operations after 2031. Accordingly, for Valuation purposes, the forecast operating period of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang is assumed to be perpetual, and forecasts of free cash flows to the firm of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang for the period from June 2026 to December 2031 (the “**Relevant Period**”) have been prepared.

The free cash flows to the firm of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang during the Relevant Period were calculated based on forecasts of (i) operating revenue and operating costs; (ii) taxes and surcharges; (iii) period expenses; and (iv) additional capital expenditures.

Discount rate

The discount rate used in the Valuations was determined using the weighted average cost of capital (WACC) model as follows:

$$r = r_d \times w_d + r_e \times w_e$$

Where:

w_d : debt ratio of the entities to be valued;

$$w_d = \frac{D}{(E + D)}$$

w_e : equity ratio of the entities to be valued;

$$w_e = \frac{E}{(E + D)}$$

r_d : after-tax interest rate on interest-bearing debt

r_e : cost of equity capital. In this Valuation, the cost of equity capital was determined using the capital asset pricing model (CAPM) as follows:

$$r_e = r_f + \beta_e \times (r_m - r_f) + \varepsilon$$

Where:

r_f : risk-free rate of return;

r_m : expected market rate of return;

ε : entity-specific risk adjustment factor for the entities to be valued;

β_e : expected market risk coefficient of the equity capital of the entities to be valued.

(B) Value of surplus and non-operating assets (liabilities)

The value of surplus and non-operating assets (liabilities) as at the Valuation Date refers to the value of certain assets (or liabilities) that were not taken into account in the estimation of free cash flows to the firm, but were instead treated as surplus or non-operating assets (or liabilities).

(C) Value of interest-bearing liabilities

As of the Valuation Date, the value of interest-bearing liabilities of Tianjin Hanyang and Tieling Hanyang was nil. The value of interest-bearing liabilities of Dalian Hanyang and Shenyang Hanyang represents the fair value of all debt that is subject to interest payments, including long-term and short-term bank loans and other interest-bearing borrowings.

Valuation results

After the required valuation procedures performed by the Valuer, including independent verification and review, site inspections, market research and inquiries, and assessment and estimation, and based on the valuation methodologies set out in the section headed “Key Valuations Inputs” above and subject to the above assumptions, the valuation results of total shareholders’ equity of Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang calculated using the income approach as at the Valuation Date are RMB136 million, RMB109 million, RMB37 million and RMB25 million, respectively.

The Board’s assessment of the fairness and reasonableness of the acquisition consideration

The Board has reviewed, and discussed with the Valuer, each of the principal assumptions adopted for the Valuations. As disclosed in “Selection of Valuation Approach”, the Board understands from the Valuer that the income approach is the most appropriate valuation approach to value the equity interests in the Target Companies. In addition, the Board has carefully considered the basis of the Valuations and the determination of the acquisition consideration and are of the view that the acquisition consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

EXPERT AND CONSENT

The following is the qualification of the expert who has given an opinion or advice, which is contained in this announcement:

Name	Qualification
Anhui Zhonglian Guoxin Assets Valuation Company Limited* (安徽中聯國信資產評估有限責任公司)	Independent Professional Valuer
GTG CPA Limited	Certified Public Accountants

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this announcement with the inclusion of its letter, report and/or opinion and the references to its name (including its qualification) included herein in the form and context in which it appears.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the above experts is an Independent Third Party. As at the date of this announcement, the above-mentioned experts do not have any shareholding, directly or indirectly, in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

INFORMATION OF THE COMPANY

The Group is a leading enterprise in China that provides industrial solid and hazardous waste treatment in compliance with the principles of environmental protection and cost effectiveness. The Group has pioneered the use of cement kiln co-processing services to facilitate a safe, harmless and efficient industrial solid and hazardous waste treatment. The Group's principal businesses also include fly ash treatment, oil sludge treatment, sludge treatment, alternative fuels and comprehensive resource utilization.

INFORMATION OF THE PURCHASERS

Anhui Conch Environment Group is a limited liability company established in the PRC on 24 June 2020. It is a subsidiary of the Company and is principally engaged in investments in environmental protection projects. Anhui Conch Environment Group is held as to approximately 99% indirectly by the Group and as to approximately 1% by Anhui Conch Venture Green Energy Environmental Protection Group Co., Ltd. (安徽海創綠能環保集團有限公司).

Wuhu Conch Environmental Protection is a limited liability company established in the PRC on 13 June 2016. It is a wholly-owned subsidiary of Anhui Conch Environment Group and is principally engaged in investments in environmental protection projects and the solid and hazardous waste treatments.

INFORMATION OF THE VENDOR

The Vendor is a limited partnership established in the PRC on 18 May 2026 and is principally engaged in investments. The Vendor is held as to 99% by Conch Holdings and 1% by Anhui Conch Capital Management Co., Ltd.* (安徽海螺資本管理有限公司). As at the date of this announcement, Conch Cement is the controlling shareholder of the Company which, together with its subsidiaries and its Parties Acting in Concert, hold and control approximately 27% of the voting rights attached to all issued Shares. Conch Holdings is the holding company of Conch Cement holding approximately 37.55% of the voting rights attached to all issued shares of Conch Cement. Accordingly, the Vendor is a connected person of the Company.

INFORMATION OF THE TARGET COMPANIES

Tianjin Hanyang is a company incorporated in the PRC with limited liability on 15 January 2010, and its principal business is medical waste collection and disposal.

Shenyang Hanyang is a company incorporated in the PRC with limited liability on 5 June 2006, and its principal business is medical waste collection and disposal.

Dalian Hanyang is a company incorporated in the PRC with limited liability on 2 March 2004, and its principal business is medical waste collection and disposal.

Tieling Hanyang is a company incorporated in the PRC with limited liability on 7 September 2018, and its principal business is medical waste collection and disposal.

As at the date of the Equity Interests Transfer Agreements, the Vendor is the legal and beneficial owner of the entire equity interests in each of the Target Companies.

FINANCIAL INFORMATION OF THE TARGET COMPANIES

Set out below is certain financial information of the Target Companies for the two financial years ended 31 December 2025 and the five months ended 31 May 2026 which were prepared in accordance with International Financial Reporting Standards:

	For the year ended 31 December 2024 <i>RMB'000</i>		For the year ended 31 December 2025 <i>RMB'000</i>		For the five months ended 31 May 2026 <i>RMB'000</i>	
	Net profit (loss) before tax	Net profit (loss) after tax	Net profit (loss) before tax	Net profit (loss) after tax	Net profit (loss) before tax	Net profit (loss) after tax
Tianjin Hanyang	11,217	8,294	3,983	2,727	2,477	1,793
Shenyang Hanyang	(265)	(194)	8,666	7,272	6,754	5,799
Dalian Hanyang	(4,015)	(3,365)	(1,081)	(943)	6,995	5,197
Tieling Hanyang	2,793	2,650	2,818	2,051	1,565	1,492

As at 31 May 2026, the total assets and net assets of Tianjin Hanyang were approximately RMB99.62 million and RMB88.40 million, respectively; those of Shenyang Hanyang were approximately RMB65.98 million and RMB35.22 million, respectively; those of Dalian Hanyang were approximately RMB36.41 million and RMB17.73 million, respectively; and those of Tieling Hanyang were approximately RMB15.95 million and RMB12.94 million, respectively. The total net assets of the Target Companies was approximately RMB154.29 million.

The original acquisition cost of the Target Companies by the Vendor was RMB300.00 million.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

As a livelihood-essential environmental protection business, medical waste disposal is subject to stringent industry policies and regulatory oversight, benefits from a stable fee-charging mechanism, and possesses favourable development attributes. Simultaneously, medical waste disposal is also a core business which the Group prioritises for development. The Acquisitions represent a key move by the Group in penetrating the markets in Northeast China and the Bohai Rim region, and is expected to facilitate the long-term sustainable operation and high-quality development of the Group's medical waste business.

Each of Shenyang Hanyang and Dalian Hanyang holds a concession right for medical waste treatment in its local region, while Tieling Hanyang has entered into a long-term cooperation agreement with the local government for the collection and treatment of medical waste, underpinning a stable and reliable business foundation. Tianjin Hanyang is situated in a densely populated area with abundant medical resources. The Company has long been entrenched in the local market, with a well-established service system and a solid customer base. The Group has mature operational experience in medical waste projects. At present, the Wuhan medical waste treatment project is in stable operation. The Acquisitions will enable the target business to be smoothly integrated into the existing operational framework, ensuring orderly and stable operations, and effectively enhancing the operational efficiency of the Group's assets.

Opinion of the Board

The Directors (excluding the independent non-executive Directors whose opinions will be set out in the circular of the Company after having been advised by the Independent Financial Adviser) are of the view that the terms and conditions of the Equity Interests Transfer Agreements are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

As Mr. Zhou Xiaochuan, Mr. Wang Chunjian, Mr. Liu Tiantian, Mr. Ma Wei and Ms. Liao Dan, all being the Directors of the Company and acting in concert with Conch Cement in exercising their voting rights in general meetings of the Company, have therefore abstained from voting on the relevant Board resolutions approving the Acquisitions.

Save as disclosed above, no other Director has a material interest in the Equity Interests Transfer Agreements and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As the date of this announcement, Conch Cement is the controlling shareholder of the Company which, together with its subsidiaries and its Parties Acting in Concert, hold and control approximately 27% of the voting rights attached to all issued Shares. Conch Holdings is the holding company of Conch Cement holding approximately 37.55% of the voting rights attached to all issued shares of Conch Cement. The Vendor is a limited partnership established in PRC, which is held as to 99% by Conch Holdings and 1% by Anhui Conch Capital Management Co., Ltd.* (安徽海螺資本管理有限公司). Accordingly, the Vendor is a connected person of the Company and the Acquisitions constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. Given that the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, on a singleton or an aggregate basis, is more than 5%, the Acquisitions are subject to reporting, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisitions, when aggregated, exceeds 25% but less than 100%, the Acquisitions constitute a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of the entire equity interests in Tianjin Hanyang, on a singleton basis, exceeds 25% but less than 100%, the acquisition of the entire equity interests in Tianjin Hanyang constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of the entire equity interests in Shenyang Hanyang, on a singleton basis, exceeds 25% but less than 100%, the acquisition of the entire equity interests in Shenyang Hanyang constitutes a major transaction of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of the entire equity interests in Dalian Hanyang, on a singleton basis, exceeds 5% but less than 25%, the acquisition of the entire equity interests in Dalian Hanyang constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the acquisition of the entire equity interests in Tieling Hanyang, on a singleton basis, exceeds 5% but less than 25%, the acquisition of the entire equity interests in Tieling Hanyang constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders on the Equity Interests Transfer Agreements and the transactions contemplated thereunder. Red Sun Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions.

GENERAL

The EGM will be convened to, among other things, consider and, if thought fit, approve the Equity Interests Transfer Agreements and the Acquisitions. The Independent Board Committee has been formed to advise the Independent Shareholders in respect of the Acquisitions. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders on the same.

Conch Cement, together with its subsidiaries and its Parties Acting in Concert are required under the Listing Rules to abstain from voting on the resolutions on approving the Equity Interests Transfer Agreements at the EGM. Accordingly, Conch Cement, Conch International Holdings (HK) Limited, Dazzling Star Investments Limited, Golden Convergence Limited, Fortune Gold Limited, Conch Venture, Li Qunfeng, Zhou Xiaochuan, Wang Chunjian, Liu Tiantian, Ma Wei, Wang Jingqian and Weng Changyi will abstain from voting on the

aforesaid resolutions at the EGM. As at the date of this announcement, Conch Cement, together with its subsidiaries and its Parties Acting in Concert, hold and control approximately 27% of the voting rights attached to all issued Shares.

A circular containing, among other things, (i) further details in relation to the Equity Interests Transfer Agreements and the transactions contemplated thereunder, (ii) the recommendation of the Independent Board Committee in relation to the Acquisitions, (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) other information required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 October 2026.

Completion is subject to the fulfillment of certain conditions precedent set out in the Equity Interests Transfer Agreements and may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Anhui Conch Environment Group”	Anhui Conch Environment Group Co., Ltd.* (安徽海螺環保集團有限公司), a company established in the PRC with limited liability and a subsidiary of the Company
“acquisition consideration”	the consideration for the Acquisitions, amounting to a total of RMB307 million
“Acquisitions”	the acquisitions of the entire equity interests in Tianjin Hanyang, Shenyang Hanyang, Dalian Hanyang and Tieling Hanyang pursuant to the terms and conditions set out in the Equity Interests Transfer Agreements
“Board”	the board of directors of the Company
“Company”	China Conch Environment Protection Holdings Limited (中國海螺環保控股有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 587)
“Completion”	Completion of the sale and purchase of the equity interests in the Target Companies pursuant to the Equity Interests Transfer Agreements

“Conch Cement”	Anhui Conch Cement Co., Ltd. * (安徽海螺水泥股份有限公司), a joint stock company established in the PRC with limited liability and the shares of which are listed on Shanghai Stock Exchange (stock code: 600585) and on the Main Board of the Stock Exchange (stock code: 914), and the controlling shareholder of the Company
“Conch Holdings”	Anhui Conch Holdings Co., Ltd* (安徽海螺集團有限責任公司), a company established in the PRC with limited liability. Conch Holdings is the holding company of Conch Cement
“Conch Venture”	China Conch Venture Holdings Limited (中國海螺創業控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, which is listed on the Main Board of the Stock Exchange (stock code: 586)
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Dalian Hanyang”	Dalian Hanyang Solid Waste Disposal Co., Ltd.* (大連市瀚洋固廢處置有限公司), a company incorporated in the PRC with limited liability
“Dalian Agreement”	the equity interests transfer agreement dated 30 September 2026 and entered into by the Vendor, the Purchasers and Dalian Hanyang with respect to the sale and purchase of the entire equity interests in Dalian Hanyang
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Equity Interests Transfer Agreements and the transactions contemplated thereunder
“Equity Interests Transfer Agreements”	the Tianjin Agreement, the Shenyang Agreement, the Dalian Agreement and the Tieling Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	a committee of the Board comprising Ms. WANG Jiafen, Ms. LI Chen and Mr. WANG Meng, all being the independent non-executive Directors, which is formed to advise the Independent Shareholders on the Equity Interests Transfer Agreements and the transactions contemplated thereunder
“Independent Financial Adviser” or “Red Sun Capital”	Red Sun Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisitions
“Independent Shareholders”	the Shareholders who are not required to abstain from voting under the Listing Rules at the EGM on the ordinary resolution for approving the Equity Interests Transfer Agreements and the transactions contemplated thereunder
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties Acting in Concert”	the parties acting in concert with Conch Cement under the Takeovers Code, including but not limited to Conch Venture, LI Qunfeng (李群峰), ZHOU Xiaochuan (周小川), WANG Chunjian (汪純健), GUO Dan (郭丹), YAN Zi (晏滋), JI Xian (紀憲), LIU Tiantian(劉田田), MA Wei (馬偉), WANG Jingqian (王敬謙) and WENG Changyi (翁長禕)
“PRC” or “China”	means the People’s Republic of China
“Purchasers”	Anhui Conch Environment Group and Wuhu Conch Environmental Protection, both being subsidiaries of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary shares(s) with nominal value HK\$0.01 each in the issued share capital of the Company
“Shareholders”	holder(s) of Shares

“Shenyang Agreement”	the equity interests transfer agreement dated 30 September 2026 and entered into by the Vendor, the Purchasers and Shenyang Hanyang with respect to the sale and purchase of the entire equity interests in Shenyang Hanyang
“Shenyang Hanyang”	Shenyang Hanyang Environmental Protection Industry Co., Ltd.* (瀋陽瀚洋環保實業有限公司), a company incorporated in the PRC with limited liability
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs published by the Securities and Futures Commission of Hong Kong
“Target Companies”	Dalian Hanyang, Shenyang Hanyang, Tianjin Hanyang and Tieling Hanyang
“Tianjin Agreement”	the equity interests transfer agreement dated 30 September 2026 and entered into by the Vendor, the Purchasers and Tianjin Hanyang with respect to the sale and purchase of the entire equity interests in Tianjin Hanyang
“Tianjin Hanyang”	Tianjin Hanyang Huihe Environmental Protection Technology Co., Ltd.* (天津瀚洋匯和環保科技有限公司), a company incorporated in the PRC with limited liability
“Tieling Agreement”	the equity interests transfer agreement dated 30 September 2026 and entered into by the Vendor, the Purchasers and Tieling Hanyang with respect to the sale and purchase of the entire equity interests in Tieling Hanyang
“Tieling Hanyang”	Tieling Hanyang Solid Waste Disposal Co., Ltd.* (鐵嶺瀚洋固體廢物處置有限公司), a company incorporated in the PRC with limited liability
“Valuation Date”	31 May 2026
“Valuation Reports”	the valuation reports on the entire equity interests in each of the Target Companies prepared by the Valuer
“Valuations”	the Valuations of each of the Target Companies as set out in the relevant Valuation Reports
“Valuer”	Anhui Zhonglian Guoxin Assets Valuation Company Limited* (安徽中聯國信資產評估有限責任公司), an independent professional valuer

“Vendor” or “Anhui Haijing”	Anhui Haijing Industrial Investment Partnership (Limited Partnership)* (安徽海淨產業投資合夥企業(有限合夥)), a limited partnership established in the PRC which is held as to 99% by Conch Holdings and 1% by Anhui Conch Capital Management Co., Ltd.* (安徽海螺資本管理有限公司)
“Wuhu Conch Environmental Protection”	Wuhu Conch Environmental Protection Technology Co., Ltd.* (蕪湖海螺環保科技有限責任公司), a company established in the PRC with limited liability and a subsidiary of the Company
“%”	per cent

By Order of the Board
China Conch Environment Protection Holdings Limited
LIAO Dan
Company Secretary

Anhui Province, the People’s Republic of China
30 September 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 Ms. WANG Jiafen, Ms. LI Chen and Mr. WANG Meng as independent non-executive Directors.

* *For identification purposes only*

APPENDIX I — REPORT FROM THE REPORTING ACCOUNTANTS

INDEPENDENT ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITIONS OF THE TARGET COMPANIES

TO THE DIRECTORS OF CHINA CONCH ENVIRONMENT PROTECTION HOLDINGS LIMITED

We have examined the calculations of the discounted future estimated cash flows on which the Valuation Reports (the “**Valuation Reports**”) prepared by Anhui Zhonglian Guoxin Assets Valuation Company Limited (安徽中聯國信資產評估有限責任公司) of entire equity interest in Tianjin Hanyang Huihe Environmental Protection Technology Co., Ltd., Shenyang Hanyang Environmental Protection Industry Co., Ltd., Dalian Hanyang Solid Waste Disposal Co., Ltd., and Tieling Hanyang Solid Waste Disposal Co., Ltd. (the “**Target Companies**”), respectively, as at 31 May 2026 are based. The Valuations based on the discounted future estimated cash flows are regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and will be included in an announcement dated 30 September 2026 to be issued by China Conch Environment Protection Holdings Limited (the “**Company**”) in connection with the acquisition of 100% equity interest in the Target Companies (the “**Announcement**”).

Directors’ Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the Announcement (the “**Assumptions**”). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuations and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuations are based and to report solely to you, as a body, as required by Rule 14.60A(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions. Our work was limited primarily to making inquiries of the Company's management, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Companies.

Because the Valuations relate to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuations and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

GTG CPA Limited

Certified Public Accountants

Hong Kong

30 September 2026

APPENDIX II — LETTER FROM THE BOARD REGARDING THE PROFIT FORECAST OF THE TARGET COMPANIES

30 September 2026

Listing Division
The Stock Exchange of Hong Kong Limited
12th Floor, Two Exchange Square
8 Connaught Place, Central, Hong Kong

Dear Sir or Madam,

MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITIONS OF THE TARGET COMPANIES

Reference is made to the announcement of **China Conch Environment Protection Holdings Limited** (the “**Company**”) dated 30 September 2026 (the “**Announcement**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Reference is made to the Valuation Reports prepared by Anhui Zhonglian Guoxin Assets Valuation Company Limited* (安徽中聯國信資產評估有限責任公司) (the “**Independent Valuer**”) in relation to the Valuations of the Target Companies (the “**Valuations**”). As the income approach involving the use of the discounted cash flow method was adopted for the Valuations, the Valuations constitute a profit forecast under Rule 14.61 of the Listing Rules.

We have discussed with the Independent Valuer and reviewed the bases and assumptions upon which the Valuations were prepared. We have also considered the letter dated 30 September 2026 issued by **GTG CPA Limited**, being the Company’s reporting accountant for this transaction, regarding the accuracy of the calculation relating to the forecasts in the Valuations and whether the forecasts were duly prepared based on the assumptions asset out in the Valuation Reports.

Based on the aforesaid, pursuant to the requirements of Rule 14.60A(3) of the Listing Rules, the board of directors (the “**Board**”) of the Company confirmed that the profit forecast as contained in the Valuation Reports has been made after due and careful enquiry.

Board of Directors of
China Conch Environment Protection Holdings Limited

* *for identification purpose only*