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China Conch Environment Protection Holdings Limited

中國海螺環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 587)

PROFIT WARNING

This announcement is made by China Conch Environment Protection Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) hereby informs the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024 (the “**Reporting Period**”) and information currently available to the Board, the Group is expected to record a decrease of approximately 40% to 60% in the net profit attributable to equity shareholders of the Company for the Reporting Period as compared to that for the same period of previous year.

The Board is of the view that the above expected decrease is mainly attributable to: (i) the fact that during the Reporting Period, notwithstanding the Group actively maintained customer loyalty and kept the “input volume” and “disposal volume” of hazardous waste at normal level, the fierce competition in the hazardous waste disposal market led to a significant decrease in the service fee for hazardous waste disposal; and (ii) the decrease in the input volume of industrial solid waste as compared to that of the corresponding period due to the postponement in the delivery of some of the potential orders for the disposal of contaminated soil.

Amidst the challenging environment of intense industry competition and overcapacity, the Group spared no effort in exploring external markets together with reinforcing the production management synergy with the cement enterprises' factories to continuously improve the fundamental management. Despite the decline in the Group's profit as a result of the continuous decline in disposal prices, its operating position basically remained stable and various works were progressed in an orderly manner. Based on the assessment of the Group's unaudited consolidated management accounts for the six months ended 30 June 2024, the Board is of the view that the overall financial position and operations of the Group remain robust and is optimistic about the Group's long-term growth and development.

As of the date of this announcement, the Company is in the process of finalizing the unaudited interim results for the six months ended 30 June 2024. The information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the information currently available including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2024. Such consolidated management accounts have not yet been audited by the Company's auditors, and shall be subject to finalization and necessary adjustments (if any). Shareholders and potential investors of the Company are advised to carefully read the announcement on the Group's interim results for the six months ended 30 June 2024, which is expected to be published by the end of August 2024.

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

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

Anhui Province, the People's Republic of China
24 July 2024

As at the date of this announcement, the Board comprises Mr. LI Xiaobo (General Manager), Ms. LIAO Dan and Mr. FAN Zhan as executive Directors; Mr. LI Qunfeng (Chairman), Mr. JIANG Dehong and Mr. MA Wei as non-executive Directors; and Mr. DING Wenjiang, Ms. WANG Jiafen and Ms. LI Chen as independent non-executive Directors.