

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)

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 year ended 31 December 2024 (the “**2024 Financial Year**”) and information currently available to the Board, the Group is expected to record (i) revenue of approximately RMB1,600 million to RMB1,700 million (the year ended 31 December 2023: RMB1,881.56 million), and (ii) net profit attributable to the equity shareholders of the Company of approximately RMB4 million to RMB10 million (the year ended 31 December 2023: RMB264.13 million) for the 2024 Financial Year.

The Board is of the view that the above expected decrease is mainly attributable to:

- (i) Amidst intensifying competition in the hazardous waste treatment market, persistently declining operating rates of cement kilns, and other adverse factors, the Group focuses on the development of external markets and continuously strengthens internal management, optimizes production organization, and enhances production management coordination with cement enterprises and factories. The Group maintained a slight increase in both “intake volume” and “treatment volume” of solid and hazardous waste. Nevertheless, as a consequence of the sustained decrease in disposal prices across the solid and hazardous waste treatment industry, the gross profit margin was further reduced, thereby resulting in a decline in the Group’s overall profitability; and
- (ii) certain projects of the Group are under operational pressure, with low capacity utilization rates, leading to a decline in profitability. The Group expects to make impairment provisions for fixed assets.

The Company has taken/and will take certain measures to improve its operating performance, including: (i) adhering to the strategy of “raising the price of hazardous waste treatment and increasing the volume of solid waste treatment.” The Company will further enhance the market development, and actively promote stable pricing and price increases. It will also strengthen the market expansion of bulk solid waste and contaminated soil, and expand the channels for bulk solid waste; (ii) striving to improve service quality, coordinate the tender process for key waste-generating enterprises, and enhance the loyalty of key clients; (iii) continuously strengthening production management with cement enterprises and factories, optimizing cost control in the management processes of production and procurement, and further improving the operational efficiency and effectiveness of projects; (iv) guided by the dual carbon policy, accelerating the layout of alternative fuel projects and expanding the source market for alternative fuels to increase the revenue of the alternative fuel business segment; and (v) fully capitalizing on the advantages of industrial synergy, focusing on new pollutant treatment, sludge odor control and breaking agent, accelerating the transformation of technological achievements, and further extending, supplementing and strengthening the industrial chain to enhance corporate competitiveness.

As of the date of this announcement, the Company is in the process of finalizing its consolidated financial information for the 2024 Financial Year. 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 2024 Financial Year. 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 annual results for the 2024 Financial Year, which is expected to be published by the end of March 2025.

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
18 February 2025

As at the date of this announcement, the Board comprises Mr. WANG Chunjian (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.