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HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

鴻承環保科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2265)

POSITIVE PROFIT ALERT

This announcement is made by HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review on the unaudited consolidated management accounts of the Group and information currently available to the Board, it is expected to record a profit for the period, all attributable to owners of the Company in the range of approximately RMB20.0 million to approximately RMB20.5 million for the six months ended 30 June 2024, representing an increase in the range of approximately 90.5% to approximately 95.2% compared to the profit for the period, all attributable to owners of the Company of approximately RMB10.5 million recorded for the corresponding period in 2023. It is expected to record a revenue of approximately RMB105.1 million for the six months ended 30 June 2024, representing an increase of approximately 113.6% compared to the revenue of approximately RMB49.2 million recorded for the corresponding period in 2023.

The Board considers that the increase in the amounts of profit for the period, all attributable to owners of the Company and revenue is mainly attributable to the commencement of production operation of the Group’s production line for sulphuric acid production (the “**New Production Line**”) in late 2023, the Group has been able to utilise the pyrite

concentrate to reprocess them to produce sulphuric acid, iron powder and electricity for sale to downstream customers. The New Production Line has contributed approximately RMB46.3 million of revenue for the six months ended 30 June 2024.

As the Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2024, the information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group, which have not been confirmed, reviewed or audited by the Company's auditors and may be subject to adjustment. Detailed financial information of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2024 which is expected to be published by end of August 2024 in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED

Liu Zeming

Chairman and Executive Director

Shandong province, the PRC, 20 August 2024

As at the date of this announcement, the Board comprises Mr. Liu Zeming, Mr. Zhan Yirong and Mr. Sheng Haiyan as the executive Directors; and Mr. Zhang Shijun, Ms. Liu Ye and Mr. Lau Chung Wai as the independent non-executive Directors.