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ELL Environmental Holdings Limited

強泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1395)

PROFIT ALERT

This announcement is made by ELL Environmental 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 (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) would like to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group (“**Management Accounts**”) for the year ended 31 December 2025 (“**FY2025**”), the Group expects to record a profit before tax of not less than HK\$30 million for FY2025 as compared with a profit before tax of HK\$1.2 million for the year ended 31 December 2024.

The Board considers that such turnaround of the Group’s results was mainly attributed to, (a) increase in construction revenue contribution from the expansion of the wastewater treatment facilities in Rugao Hengfa Water Treatment Company, China, (b) increase in revenue contribution from the biomass power business of PT Sentosa Jaya Purnama in Indonesia, (c) a net reversal of provision for major overhauls and provision for arbitral award from South China International Arbitration Centre (Hong Kong) (“**SCIA**”), and (d) decrease in expenses including impairment losses under expected credit loss model and research and development expenses.

The information contained in this announcement is based solely on a preliminary assessment by the Board by reference to the Management Accounts for FY2025 along with the information currently available to the Company, which have neither been audited nor reviewed by the Company’s independent auditors or the audit committee of the Board. Further details of the Group’s financial results and performance will be disclosed in the annual results announcement of the Company for FY2025, which is expected to be published on 25 March 2026. The Company’s annual report for FY2025 will be published subsequently in the manner as required by the Listing Rules.

The Board wishes to update the Shareholders on the arbitration proceedings initiated by Everbest Water Treatment Development Company Limited (“**Everbest**”) against CGN Environmental Protection Industry Co., Ltd. before SCIA in relation to the sale and purchase agreement for Everbest’s disposal of 70% equity interest in Haian Hengfa Wastewater Treatment Company Limited as disclosed in the announcement of the Company dated 17 September 2025 and the interim report of the Company for the six months ended 30 June 2025 published on 25 September 2025. The SCIA handed down the arbitral award on 31 December 2025 (“**Arbitral Award**”), pursuant to which the majority of Everbest’s claims were dismissed and Everbest did not succeed in its application for covering the payment of the remaining consideration or related remedies in full. As a result, the Group is expected to provide provision of approximately HK\$9 million in its financial statements for FY2025 expected to be published on 25 March 2026. To the best knowledge of the Board, as at the date of this announcement, the Arbitral Award has no material adverse impact on the business and general operations of the Company and its subsidiaries.

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

For and on behalf of
ELL Environmental Holdings Limited
Chan Kwan
Executive Director and Chief Executive Officer

Hong Kong, 16 March 2026

As at the date of this announcement, the Board comprises Mr. Chau On Ta Yuen (Chairman), Mr. Chan Kwan (Chief Executive Officer), and Mr. Chau Chi Yan Benny and Mr. Chan Pak Lam Brian as executive Directors, Mr. Radius Suhendra as a non-executive Director, and Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Ms. Leung Bo Yee Nancy as independent non-executive Directors.

* *For identification purpose only*