

2017

# Annual Results

China Conch Venture Holdings Limited





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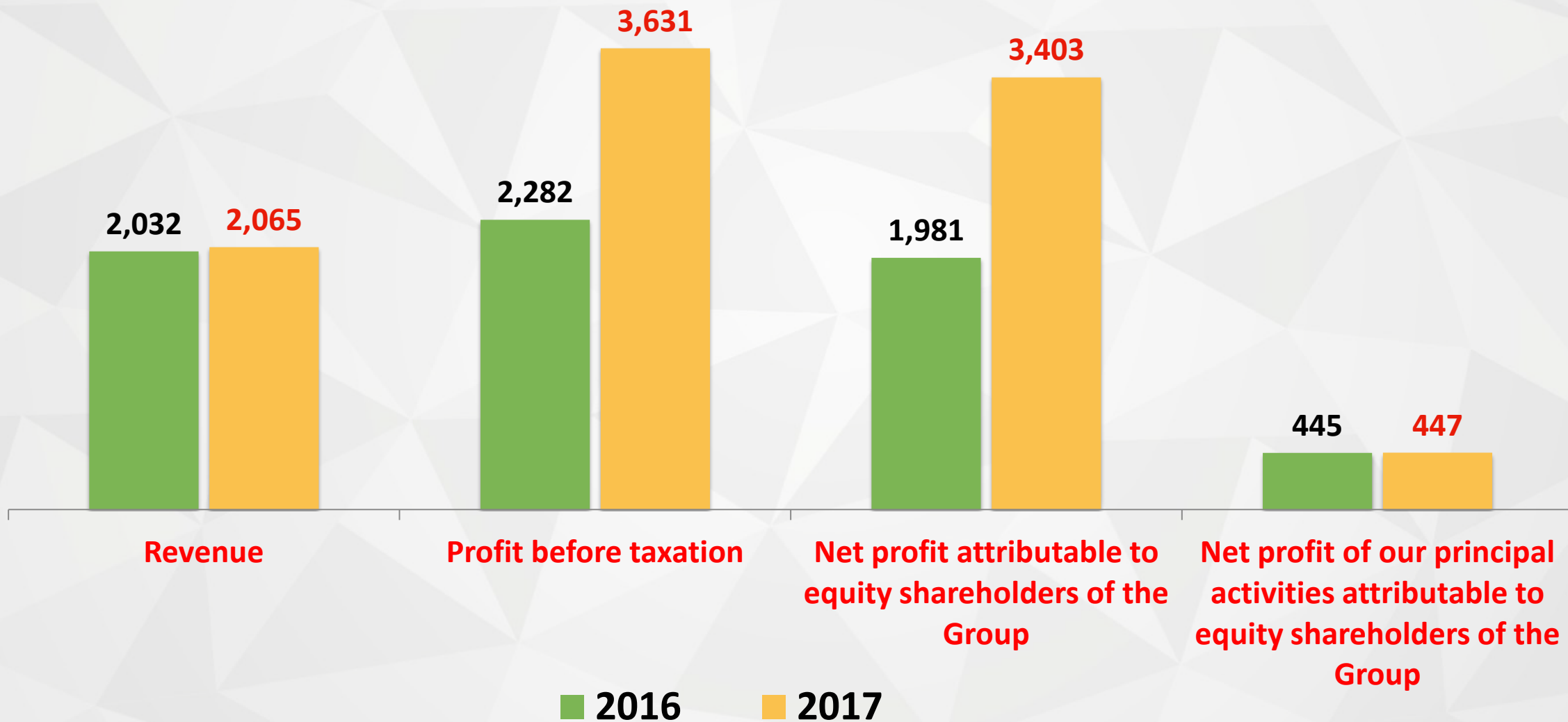


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# Financial Information

# Business Performance

(RMB million)



# Business Performance

Net profit attributable to equity  
shareholders of the Group

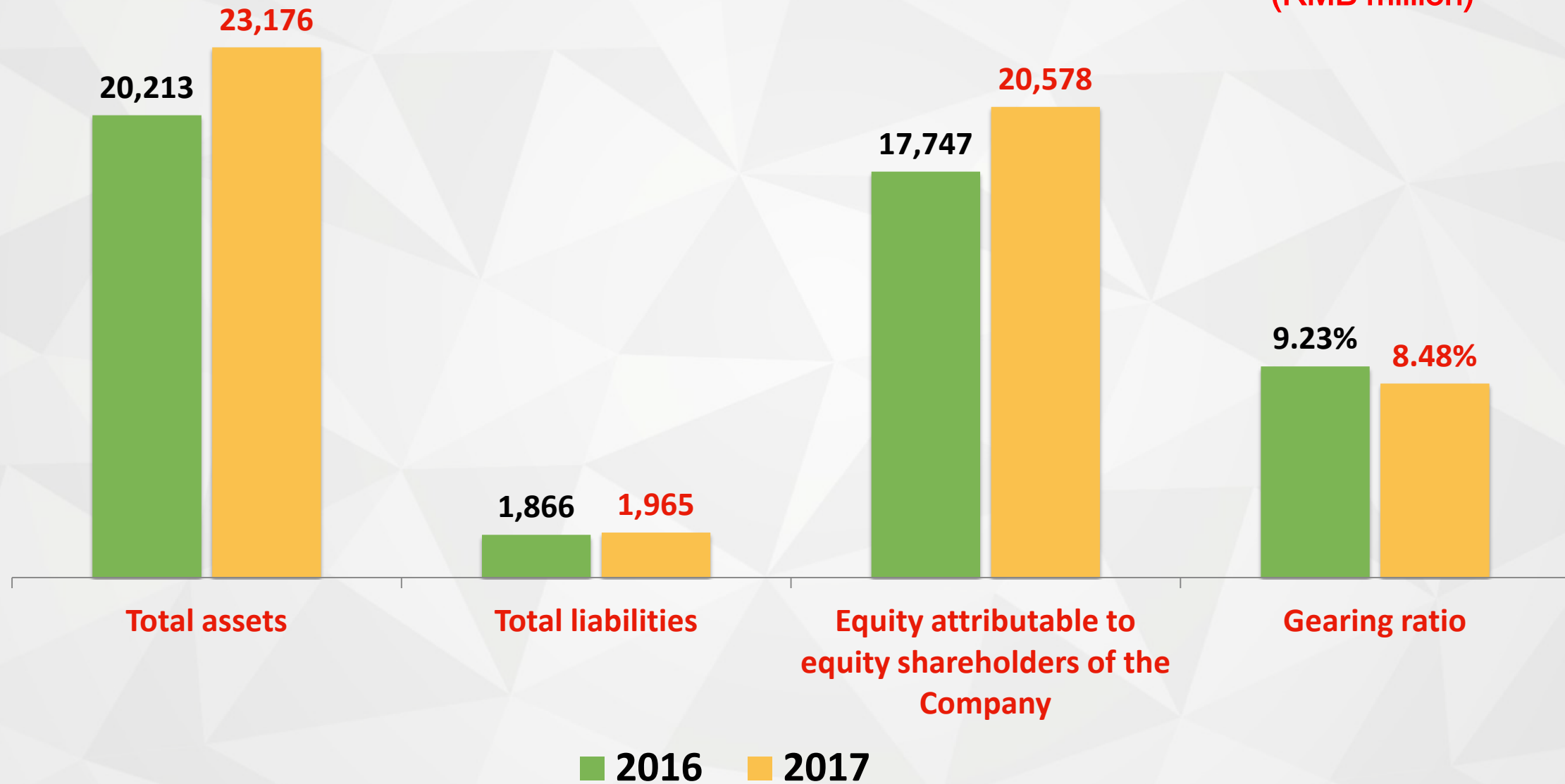
(RMB million)



- Net profit of our principal activities attributable to equity shareholders of the Group
- Share of profit of an associate

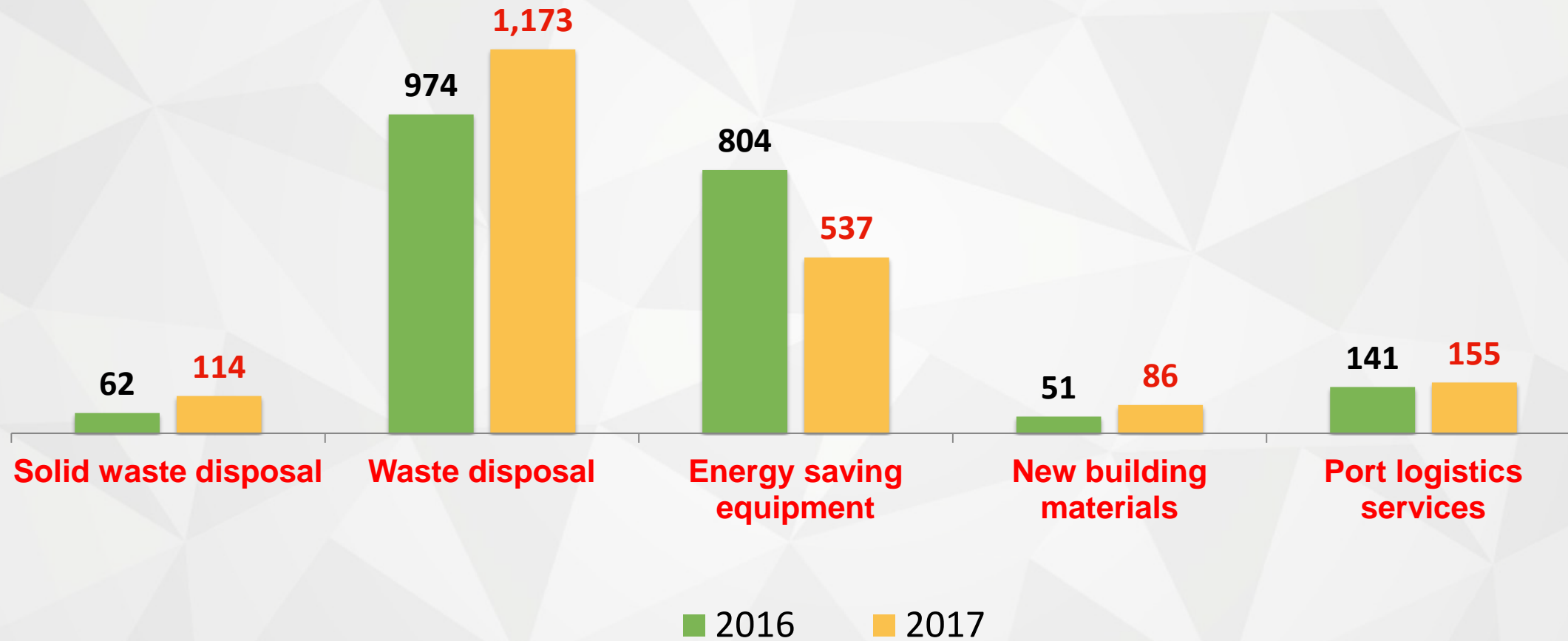
# Financial Position

(RMB million)



# Revenue by Segments and Proportion

(RMB million)



## Gross Profit by Segments

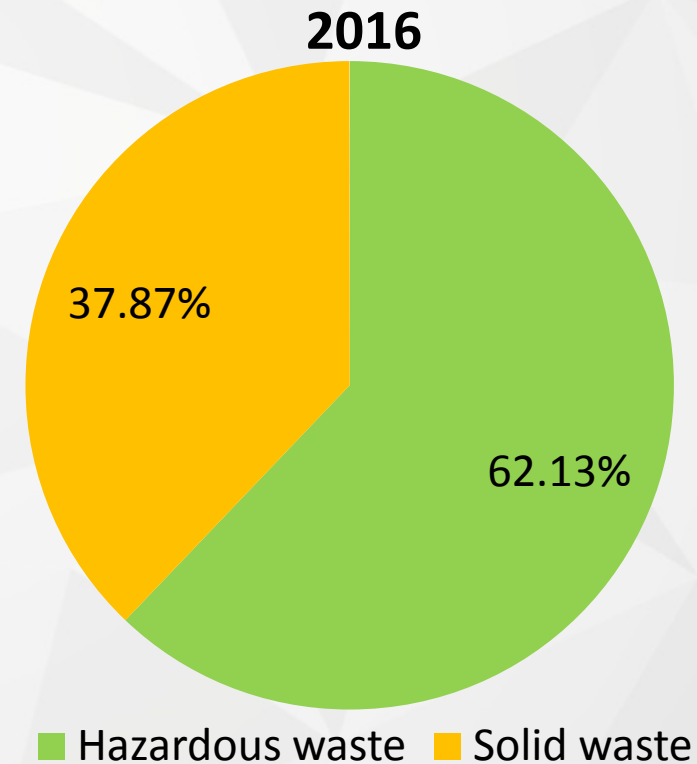
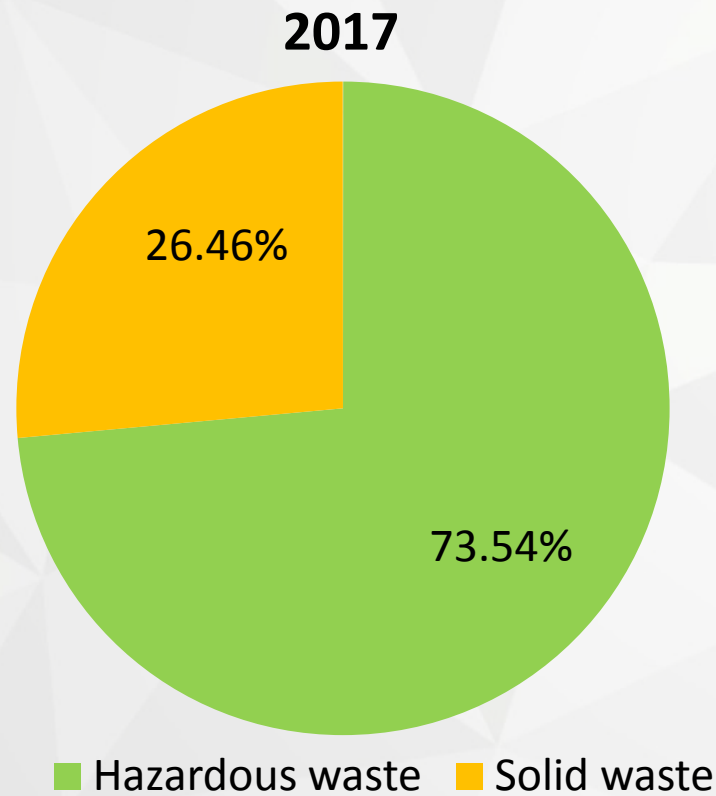
- The Group's consolidated gross profit in 2017 was **RMB 723 million**, representing a decrease of **9.29%** YOY. Gross profit by segments are as follows:

Segments	2017		2016	Gross Profit Change (%)
	Gross Profit (RMB' 000)	Gross Profit Margin (%)	Gross Profit (RMB' 000)	
Solid waste disposal	85,289	<b>75.05</b>	48,348	<b>76.41</b>
Waste disposal	401,072	<b>34.18</b>	389,475	<b>2.98</b>
Energy saving equipment	151,061	<b>28.15</b>	304,849	<b>-50.45</b>
New building materials	10,997	<b>12.73</b>	-13,900	<b>N/A</b>
Port logistics services	74,905	<b>48.36</b>	68,606	<b>9.18</b>
<b>Total</b>	<b>723,324</b>	<b>35.03</b>	<b>797,378</b>	<b>-9.29</b>



# Revenue from Solid Waste Disposal

● During the reporting period, the Group's solid and hazardous waste disposal achieved an operating income of **RMB 113.64 million**, an yearly growth of **83.36%**, and a total of **109,000 tons** of solid and hazardous waste was disposed. The hazardous waste was **51,700 tons**, and the revenue was **RMB 83.57 million**, a year-on-year increase of **117.02%**; the disposal of general solid waste was **57,300 tons**, and the revenue was **RMB 30.07 million**, a yearly growth of **28.13%**.



## Breakdown of Revenue from Waste Disposal Business

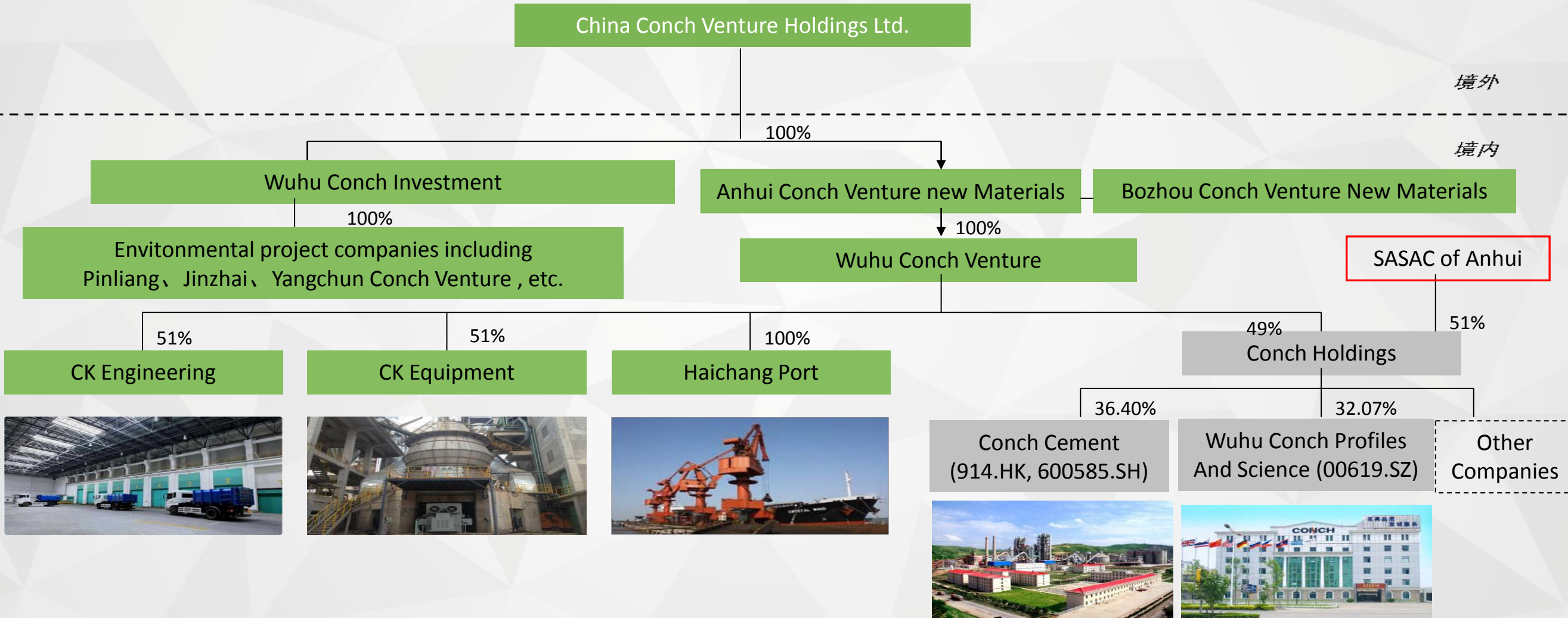
Revenue Breakdown	2017		2016		Amount Change (%)	Proportion Change (%)
	Amount (RMB'000)	Proportion (%)	Amount (RMB'000)	Proportion (%)		
<b>Construction Revenue</b>	<b>1,036,475</b>	<b>88.34</b>	<b>887,390</b>	<b>91.08</b>	<b>16.80</b>	<b>-2.74</b>
Waste disposal by cement kiln	213,494	18.20	423,171	43.43	-49.55	-25.23
Waste power generation	822,981	70.14	464,219	47.65	77.28	22.49
<b>Operation revenue</b>	<b>65,100</b>	<b>5.55</b>	<b>35,203</b>	<b>3.61</b>	<b>84.93</b>	<b>1.94</b>
Waste disposal by cement kiln	35,499	3.03	23,109	2.37	53.62	0.66
Waste power generation	29,601	2.52	12,094	1.24	144.76	1.28
<b>Finance income</b>	<b>71,724</b>	<b>6.11</b>	<b>51,750</b>	<b>5.31</b>	<b>38.60</b>	<b>0.80</b>
Waste disposal by cement kiln	61,668	5.26	45,730	4.69	34.85	0.57
Waste power generation	10,056	0.85	6,020	0.62	67.04	0.23
<b>Total</b>	<b>1,173,299</b>	<b>100.00</b>	<b>974,343</b>	<b>100.00</b>	<b>20.42</b>	<b>-</b>



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# Business Review

# Major Structure



# Flourishing Environmental Protection Business

## Project Overview in 2017

Jan

The Company obtained the first project of the year – the solid waste disposal project in Xingye, Guangxi

10 Jan

The Company obtained the CKK waste disposal project in Xing'an, Guangxi



22 Feb

The Company obtained the solid waste disposal project in Wenshan, Yunnan

13 May

The Company obtained the waste power generation and solid waste disposal project in Sishui, Shandong

16 Jul

The Company signed the waste power generation project in Aral, Xinjiang



5 Jan

The Company obtained the solid waste disposal project in Qianyang, Shaanxi

16 Jan

The Company obtained the waste power generation project in Songming, Yunnan

11 May

The Company obtained the waste power generation project in Yiyang, Jiangxi



2 Jun

The Company signed the CKK waste disposal project in Yingjiang, Yunnan

9 Sep

The Company obtained the waste power generation project in Shanggao, Jiangxi

# Flourishing Environmental Protection Business

## Project Overview in 2017(Con' t)

31 Oct

The Company obtained waste power generation project in Yang County, Shaanxi

18 Dec

The Company obtained waste power generation project in Huoshan, Anhui



2018

24 Jan

The Company obtained waste power generation project in Shucheng, Anhui

2018

28 Feb

The Company obtained waste power generation project in Xishui, Guizhou

1 Dec

The Company obtained the solid waste disposal project in Qiyang, Hunan

2018

22 Jan

The Company obtained waste power generation project in Shizhu, Chongqing

2018

27 Feb

The Company obtained the solid waste disposal project in Tongchuan, Shaanxi

2018

16 Mar

The Company obtained the solid waste disposal project in Qingzhen, Guizhou



Since last year, the company has obtained **20** Environmental Protection projects, including: **11** grate furnace waste power generation projects, **6** collaborative treatment of solid and hazardous waste disposal by cement kilns projects, **2** collaborative treatment of municipal waste by cement kilns projects and **1** urban river sewage treatment project.

# Flourishing Environmental Protection Business

## Development of Solid and Hazardous Waste Disposal Projects

In 2017, the Group has intensified the efforts to develop the solid and hazardous waste disposal business, and successfully acquired 5 projects in Xingye Guangxi, Qianyang Shaanxi, Wenshan Yunnan, Sishui Shandong and Qiyang Hunan. At the same time, it has accelerated the progress of the project construction and a total of 5 projects have been put into operation.

In December 2017 and March 2018, the Group had signed strategic cooperation agreements with Dongjiang Environmental Protection and Chengdu Environmental Group respectively, aiming to further strengthen industry cooperation, enhance the Group's ability to deploy in the regional and national markets, and increase endogenous value of solid and hazardous waste disposal Industry.



The Wuhu Conch Venture Environmental Protection Solid (Harzardous) Waste project wholly owned by the Group was officially put into operation during the reporting period.



The Group signed a strategic cooperation agreement with Dongjiang Environmental Protection

# Flourishing Environmental Protection Business

## Performance Review of Solid and Hazardous Waste Disposal Projects

Number	Status	Location	Corporation Type	Size	Estimated Completion Time	Remark
1	Completed	Lantian, Shaanxi	Joint venture	90,000t/a	Completed in Jan 2015	Solid waste
2		Fuping, Shaanxi		100,000t/a	Completed in Apr 2016	Hazardous waste
3		Qian County, Shaanxi		70,000t/a	Completed in Apr 2017	63,600t is hazardous waste
4		Mian County, Shaanxi		45,000t/a	Completed in Oct 2017	Solid waste
5		Huaining, Anhui	wholly-owned	70,000t/a	Completed in Sep 2017	Solid waste
6		Huaibei, Anhui		70,000t/a	Completed in Dec 2017	Solid waste
7		Wuhu, Anhui ( Phase 1 )		100,000t/a	Completed in Dec 2017	55,000t is hazardous waste
		<b>Subtotal</b>		<b>545,000t/a</b>		
8	Under construction	Yiyang, Jiangxi	wholly-owned	2×100,000t/a	Phase 1 Apr 2018	Two phases
9		Suzhou, Anhui		2×100,000t/a	Phase 1 Jun 2018	Two phases
10		Guangyuan, Sichuan		100,000t/a	Jul 2018	
11		Xingye, Guangxi	2×100,000t/a	Phase 1 Jul 2018	Two phases	
12		Wuhu, Anhui ( Phase 2 )	Joint venture	100,000t/a	Sep 2018	
13		Qianyang, Shaanxi		100,000t/a	Sep 2018	
		<b>Subtotal</b>		<b>900,000t/a</b>		



# Flourishing Environmental Protection Business

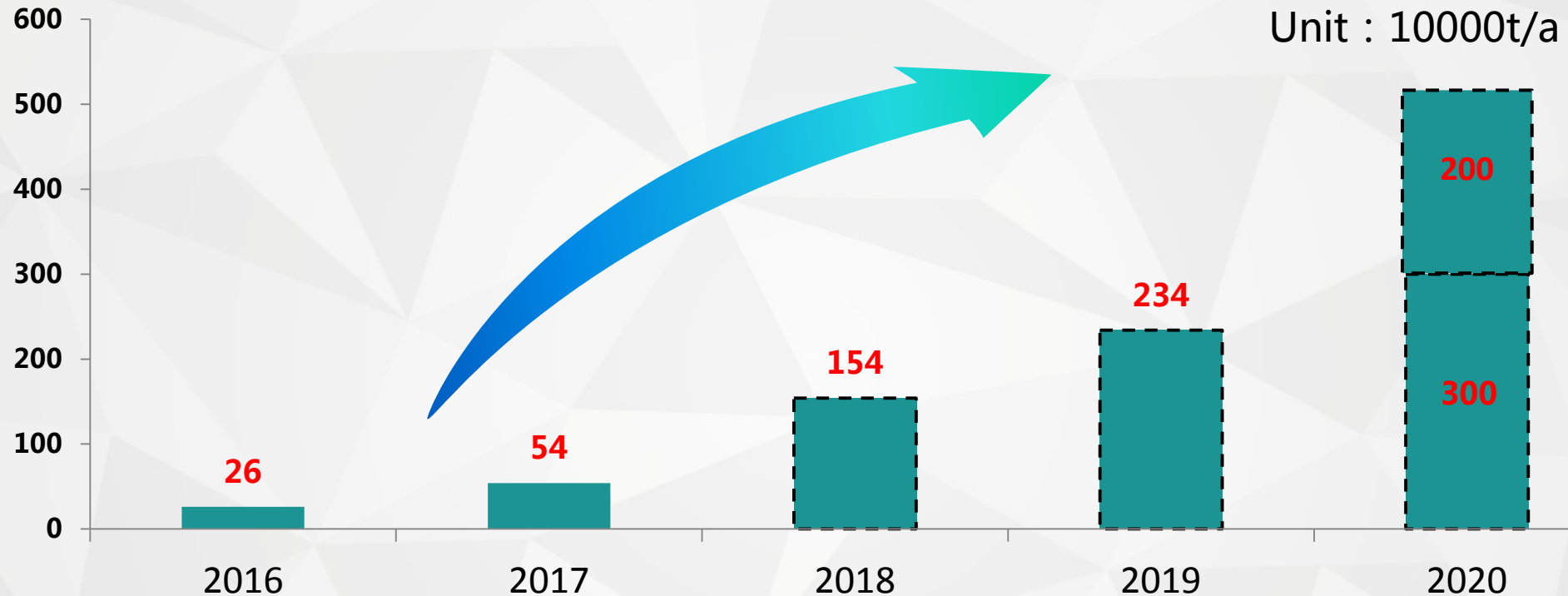
## Performance Review of Solid and Hazardous Waste Disposal Projects (Con't)

Number	Status	Location	Corporation Type	Size	Estimated Completion Time	Remark
14	Approved	Wenshan, Yunan	wholly-owned	2×100,000t/a	Phase 1 Oct 2018	Two phases
15		Shimen, Hunan		100,000t/a	Oct 2018	
16		Zhong County, Chongqing	Joint venture	2×100,000t/a	Phase 1 Nov 2018	Two phases
17		Sishui, Shandong	wholly-owned	100,000t/a	Dec 2018	
18		Qiyang, Hunan		100,000t/a	/	
19		Tongchuan, Shaanxi	Joint venture	100,000t/a	/	
20		Qingzhen, Guizhou		100,000t/a	/	
<b>Subtotal</b>				<b>900,000t/a</b>		
<b>Total</b>				<b>2,345,000t/a</b>		



# Flourishing Environmental Protection Business

## Target of Solid Waste and Hazardous Waste Disposal Capacity for the Next 3 years



Note:

a) By the end of 2020, it plans to form a disposal capacity of 3 million tons per year in the production lines of Anhui Conch Cement, and a disposal capacity of 2 million tons per year in the cement production lines of CNBM and other cement companies.

b) Solid and hazardous waste treatment enjoys preferential tax policies such as "three years exemptions and three years reductions" (Enterprise Income Tax Implementation Regulations Article 88) and value-added tax "70%" refundable as soon as imposed (Fiscal Taxation Policy [2015] No.78) and other tax incentives.

# Flourishing Environmental Protection Business

## Development of Grate Furnace Waste Power Generation Projects

Since last year, the Group's grate furnace waste incineration power generation business has signed a total of **11** orders from **Songming in Yunnan**, **Yiyang in Jiangxi**, **Sishui in Shandong**, and **Xinjiang Alar**, with a total of **3** projects put into operation.

During the reporting period, the Group's grate furnace power generation business treated a total of **190,000 tons** of domestic waste and realized an on-grid electricity of **47.46 million kwh**.

The Group also strengthened overseas market expansion, had signed a cooperation agreement with its partners on the project in **Taiyuan, Vietnam**, and the **Bạc Liêu** project is applying for an investment permit.



Signed a cooperation agreement with Fumingshan Group on the domestic garbage generation project in Taiyuan, Vietnam



Huoqiu grate furnace project put into operation

# Flourishing Environmental Protection Business

## Performance Review of Grate Furnace Waste Power Generation Projects

Number	Status	Location	Business Model	Size	Estimated Completion Time	Remark
1	Completed	Jinzhai, Anhui	BOT	100,000t/a	Completed in Jan 2016	
2		Tongren, Guizhou		2×100,000t/a	Completed in Jul 2017	
3		Yanshan, Yunnan		70,000t/a	Completed in Aug 2017	
4		Huoqiu, Anhui ( Phase 1 )		140,000t/a	Completed in Jan 2018	
<b>Subtotal</b>				<b>510,000t/a</b>		
5	Under construction	Li County, Hunan	BOT	2×100,000t/a	Phase 1 Apr 2018	Two Phases
6		Shache, Xinjiang		2×100,000t/a	Phase 1 May 2018 Phase 2 Aug 2018	
7		Bole, Xinjiang		100,000t/a	Oct 2018	
8		Huoqiu, Anhui ( Phase 2 )		140,000t/a	Oct 2018	
9		Songming, Yunnan		100,000t/a	Oct 2018	
10		Yiyang, Jiangxi		2×100,000t/a	Phase 1 Dec 2018	Two Phases
11	Shanggao, Jiangxi	140,000t/a	Dec 2018			
<b>Subtotal</b>				<b>1,080,000t/a</b>		

# Flourishing Environmental Protection Business

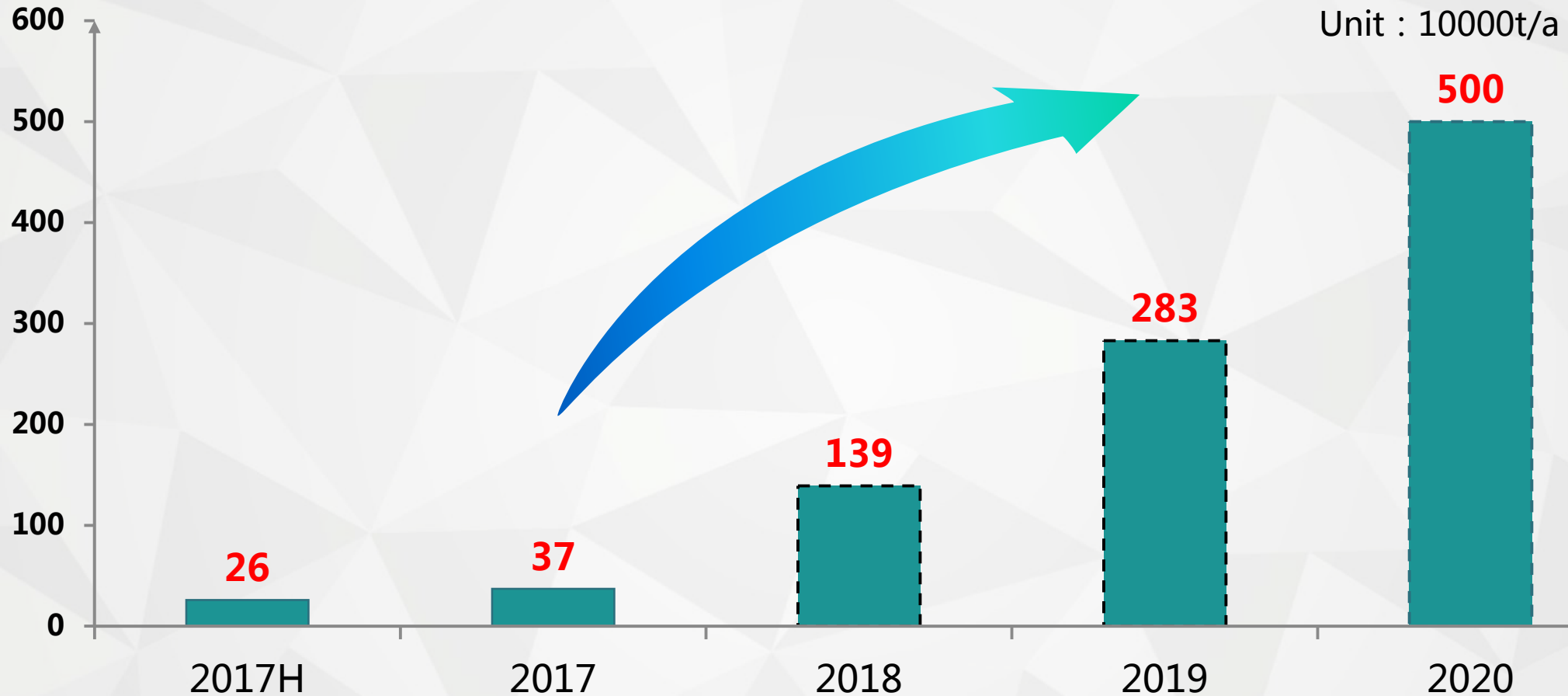
## Performance Review of Grate Furnace Waste Power Generation Projects (Con't)

Number	Status	Location	Business Model	Size	Estimated Completion Time	Remark
12	Approved	Susong, Anhui	BOT	2×140,000t/a	/	Two Phases
13		Sishui, Shandong		140,000t/a	/	
14		Aral, Xinjiang		100,000t/a	/	
15		Yang County, Shaanxi		100,000t/a	/	
16		Huoshan, Anhui		140,000t/a	/	
17		Shizhu, Chongqing		2×100,000t/a	/	Two Phases
18		Shucheng, Anhui		140,000t/a	/	
19		Xishui, Guizhou		140,000t/a	/	
<b>Subtotal</b>				<b>1,240,000t/a</b>		
<b>Total</b>				<b>2,830,000t/a</b>		



# Flourishing Environmental Protection Business

## Target of Grate Furnace Waste Power Generation Capacity for the Next 3 Years



Note: Garbage power generation enjoys preferential tax policies such as “three years exemptions and three years reductions” (Enterprise Income Tax Implementation Regulations Article 88) and value-added tax “70%” refundable as soon as imposed (Fiscal Taxation Policy [2015] No.78) and other tax incentives.

# Flourishing Environmental Protection Business

During the reporting period, the Group's cement kiln co-disposal of domestic waste realized an operating income of RMB **97.17 million**, an increase of **41.15%** year-on-year, and a cumulative amount of **610,100 tons** of waste disposal.

Number	Status	Location	Business Model	Size	Remark
1	Completed	Pingliang, Gansu	BOT	100,000t/a	Joint construction with China National Building Material Company Limited
2		Qingzhen, Guizhou		100,000t/a	
3		Yangchun, Guangdong		70,000t/a	
4		Yupin, Guizhou		30,000t/a	
5		Xishui, Guizhou		100,000t/a	
6		Qiyang, Hunan		100,000t/a	
7		Shimen, Hunan		70,000t/a	
8		Shuicheng, Guizhou		70,000t/a	
9		Fusui, Guangxi		70,000t/a	
10		Shuangfeng, Hunan		70,000t/a	
11		Baoshan, Yunnan		100,000t/a	
12		Nanjing, Sichuan		70,000t/a	

# Flourishing Environmental Protection Business

## Performance Review of Municipal Waste Disposal by Cement Kilns (Con't)

Number	Status	Location	Business Model	Size	Remark
13	Completed	Lingyun, Guangxi	BOT	30,000t/a	
14		Ningguo, Anhui		100,000t/a	
15		Linxia, Gansu		100,000t/a	
<b>Subtotal</b>				<b>1,180,000t/a</b>	
16	Under construction	Longyan, Fujian	EPC	/	
17		Xing'an, Guangxi	BOT	100,000t/a	预计2018年5月投产
18		Yingjiang, Yunan		70,000t/a	预计2018年10月投产
<b>Subtotal</b>				<b>170,000t/a</b>	
<b>Total</b>				<b>1,350,000t/a</b>	





# Apparent Advantages of Environmental Protection Industry

## Customized, open the entire industry chain

The business covers solid and hazardous waste treatment technology and two types of waste treatment technologies. It is tailored to different geographical characteristics, and provides a “package” solution for environmental protection from design, equipment integration, construction, and operation which opens the entire industrial chain.

## Advanced concept, enterprise management practices

Company adhering to the "unity, innovation, dedication, devotion," the spirit of corporate culture, fully learn from the advanced concept of operation and management, establish an effective management system, enterprise management realizing standardization and systematization.

## Low debt ratio, strong financial strength

The company has sufficient funds, 8.48% of its ultra-low debt ratio, and has enough strength to ensure the implementation and operation of all projects.

## Emphasis on R&D, technology innovation

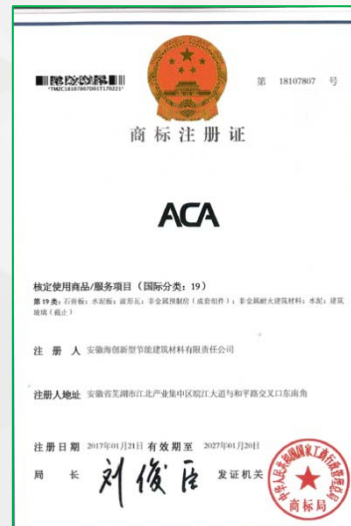
In cooperation with Kawasaki Heavy Industries, Japan, the introduction of Japan's advanced technology, thorough waste treatment, full degradation of dioxins, solidification of heavy metals, and truly "eat dry squeezed out ", the most economical and environmentally friendly treatments.



# Strengthened Confidence in New Building Materials Industry

## Market development has achieved good outcome

During the reporting period, the two companies in Anhui and bozhou implemented internal resource sharing, conducted in-depth benchmarking management, and made many measures to expand the market. Sales volume and prices increased significantly. In March 2017, we successfully obtained the “ACA” national trademark registration certificate, which further strengthened the market competitiveness of our products.



During the reporting period, the new building materials industry accumulated a total of **7.11 million** square meters of ACA boards for the year, an increase of **44%** year-on-year, and achieved an operating income of RMB **86.41 million**, an increase of **RMB 35.61 million** over the same period of last year, an increase of **70%**.



# Strengthened Confidence in New Building Materials Industry

## Industry development highlights



01

### Volume and price increase significantly

Sales volume increased **44%** year-on-year; sales price increased **2.82%** year-on-year

02

### Gross profit rate continues to increase

Anhui Conch Venture new Materials has achieved a gross profit margin of **22.24%**.

03

### Product quality stabilizes gradually

Product quality tends to be stable and customer satisfaction is high

04

### Sales team is getting mature

Gradually realize professionalization and stabilization

# Port logistics business continues to stabilize

## Throughput hits historical height

In 2017, the Group paid close attention to policy trends, seized market trends, and obtained more market share.



Yangzhou haichang port

During the reporting period, the port logistics business realized an income of **RMB154.89 million**, an increase of **10%**, and a throughput of **27.5 million tons**, a record high since it was established.



New gantry crane put into use





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# Outlook

# Future Outlook

## Realize the grand blueprint of environmental protection industry

First, complete the annual project development task, and strive to achieve the goal of solid and hazardous waste capacity planning; Second, continue to focus on promoting overseas grate furnace business development, and strive to land projects; Third, do a good job of environmental protection industry research and analysis, promote new technologies, and enhance the company's comprehensive Competitiveness.

## Open up a new situation for the development of new building materials industry

The Group will continue to open up sales channels for foreign trade and open up new markets. At the same time, the market demand for quality standards, improve product performance. In addition, cooperation or construction of post-processed product projects will also be actively promoted to increase the added value of products.



## Promote the development of equipment manufacturing business

The Group will combine the development needs of the environmental protection industry and do a good job in the research and development of environmental protection equipment and ancillary facilities; it will further develop new types of vertical mills and boiler products and improve product types; at the same time, it will continue to strengthen the overseas markets of waste heat power generation, vertical mills and other traditional businesses open up.

## Achieve new breakthroughs in the port business

With the increase of environmental protection requirements and supervision of the state, the Group will do a good job in clean production and implement environmental protection technology reform. And will continue to improve handling efficiency, increase external market development, and achieve customer diversification

# Q&A Session

## Welcome to ask

WHAT  
?

HOW  
?

WHY  
?





Thank you!

27<sup>th</sup> March 2018