



China Conch Venture Holdings Limited
中國海螺創業控股有限公司

(Incorporated in the Cayman Islands with limited liability)
Stock Code : 586

INTERIM REPORT 2023 中期報告

海螺創業上市十周年 2013-2023

This Interim Report, in both Chinese and English versions, is available on the Company's website at <http://www.conchventure.com> (the "Company Website"). Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the "Corporate Communications") via the Company Website and who for any reason have difficulty in receiving or gaining access to the Corporate Communications posted on the Company Website will promptly upon request be sent the Corporate Communications in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt of the Corporate Communications (either in printed form or via the Company Website).

Shareholders may send their requests at any time to receive the Interim Report and/or to change their choice of the means of receipt of the Corporate Communications by notice in writing to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

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DEFINITIONS

In this report, unless the context otherwise requires, the following expressions shall have the following meanings:

Anhui CV Group:	安徽海創集團股份有限公司 (Anhui Conch Venture Group Co., Ltd.*) (formerly known as: 安徽海螺創業投資有限責任公司 (Anhui Conch Venture Investment Co., Ltd.*))
Articles of Association:	the articles of association of the Company
associated corporation(s):	has the meaning ascribed thereto under the SFO
Audit Committee:	the audit committee of the Board
Board:	the board of Directors of the Company
BOT:	build-operate-transfer, a type of business arrangement used in the construction of a facility
CG Code:	the Corporate Governance Code set out in Appendix 14 to the Listing Rules
China/PRC:	the People's Republic of China
Company/Conch Venture:	China Conch Venture Holdings Limited (中國海螺創業控股有限公司)
Conch Cement:	Anhui Conch Cement Company Limited (安徽海螺水泥股份有限公司), a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 00914) and the Shanghai Stock Exchange (stock code: 600585)

DEFINITIONS

Conch Holdings:	安徽海螺集團有限責任公司 (Anhui Conch Holdings Co., Ltd.*)
Conch Venture BVI:	China Conch Venture Holdings International Limited (中國海創控股國際有限公司)
Conch Venture Wuhu:	蕪湖海創實業有限責任公司 (Wuhu Conch Venture Enterprise Limited*)
Director(s):	the director(s) of the Company
Group:	the Company and its subsidiaries
HKD:	the lawful currency of Hong Kong
Hong Kong:	the Hong Kong Special Administrative Region of the PRC
Listing Rules:	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
Model Code:	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
Remuneration and Nomination Committee:	the remuneration and nomination committee of the Board

DEFINITIONS

Reporting Period:	from 1 January 2023 to 30 June 2023
RMB:	the lawful currency of the PRC
SA Conch:	安徽海螺集團有限責任公司工會委員會 (The Staff Association of Anhui Conch Holdings Co., Ltd.*)
SFO:	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
Shareholders:	the shareholders of the Company
Splendor Court:	Splendor Court Holdings Limited (華廷控股有限公司)
Stock Exchange:	The Stock Exchange of Hong Kong Limited
Strategy, Sustainability and Risk Management Committee:	the strategy, sustainability and risk management committee of the Board

1. CORPORATE INFORMATION

(I)	REGISTERED CHINESE NAME OF THE COMPANY:	中國海螺創業控股有限公司
	CHINESE ABBREVIATION:	海螺創業
	REGISTERED ENGLISH NAME OF THE COMPANY:	CHINA CONCH VENTURE HOLDINGS LIMITED
	ENGLISH ABBREVIATION:	CONCH VENTURE
(II)	EXECUTIVE DIRECTORS:	Mr. Ji Qinying (<i>Vice-Chairman & Chief Executive Officer</i>) Mr. Shu Mao Mr. Li Jian Mr. Li Daming
(III)	NON-EXECUTIVE DIRECTORS:	Mr. Guo Jingbin (<i>Chairman</i>) Mr. Yu Kaijun (resigned on 26 June 2023) Mr. Liu Yan (appointed on 26 June 2023)
(IV)	INDEPENDENT NON-EXECUTIVE DIRECTORS:	Mr. Chan Chi On (alias Derek Chan) Mr. Chan Kai Wing Mr. Lau Chi Wah, Alex (retired on 20 June 2023) Dr. Peng Suping (appointed on 20 June 2023)
(V)	AUDIT COMMITTEE:	Mr. Chan Chi On (alias Derek Chan) (<i>Chairman</i>) Mr. Chan Kai Wing Mr. Lau Chi Wah, Alex (retired on 20 June 2023) Dr. Peng Suping (appointed on 20 June 2023)
(VI)	REMUNERATION AND NOMINATION COMMITTEE:	Mr. Chan Kai Wing (<i>Chairman</i>) (re-designated on 20 June 2023) Mr. Chan Chi On (alias Derek Chan) Mr. Lau Chi Wah, Alex (retired on 20 June 2023) Dr. Peng Suping (appointed on 20 June 2023) Mr. Yu Kaijun (resigned on 26 June 2023) Mr. Liu Yan (appointed on 26 June 2023)
(VII)	STRATEGY, SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE:	Mr. Guo Jingbin (<i>Chairman</i>) Mr. Ji Qinying Mr. Yu Kaijun (resigned on 26 June 2023) Mr. Liu Yan (appointed on 26 June 2023) Mr. Chan Chi On (alias Derek Chan)

1. CORPORATE INFORMATION

(VIII)	JOINT COMPANY SECRETARIES:	Mr. Chen Xingqiang Mr. Lee Leong Yin
(IX)	AUTHORISED REPRESENTATIVES:	Mr. Guo Jingbin Mr. Ji Qinying
(X)	REGISTERED OFFICE OF THE COMPANY:	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
(XI)	ADDRESS OF THE HEAD OFFICE IN THE PRC:	1011 Jiuhua South Road Wuhu City, Anhui Province, China
(XII)	POSTAL CODE:	241070
(XIII)	EMAIL ADDRESS OF THE COMPANY:	hlcy@conchventure.com
(XIV)	WEBSITE OF THE COMPANY:	http://www.conchventure.com
(XV)	PRINCIPAL PLACE OF BUSINESS IN HONG KONG:	Suite 4018, 40/F, Jardine House 1 Connaught Place, Central Hong Kong
(XVI)	HONG KONG LEGAL ADVISOR:	Chiu & Partners
(XVII)	INTERNATIONAL AUDITOR:	KPMG
(XVIII)	CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE:	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
(XIX)	HONG KONG BRANCH SHARE REGISTRAR:	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17/F Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
(XX)	STOCK CODE:	00586

2. FINANCIAL HIGHLIGHTS

FINANCIAL OVERVIEW (FOR THE SIX MONTHS ENDED 30 JUNE 2023)

1. Operation results

Item	January– June 2023 Amount (RMB'000)	January– June 2022 Amount (RMB'000)	Changes between the Reporting Period and the corresponding period of the previous year (%)
Revenue	4,437,539	3,824,351	16.03
Profit before taxation	2,065,336	2,680,867	–22.96
Share of profits of associates	1,269,264	1,887,417	–32.75
Net profit attributable to equity shareholders of the Company	1,817,965	2,429,553	–25.17
Net profit from principal businesses attributable to equity shareholders of the Company	548,701	542,136	1.21

Note: Net profit from principal businesses attributable to equity shareholders of the Company represents net profit attributable to equity shareholders of the Company after deducting share of profits of associates.

2. Assets and liabilities

Item	30 June 2023 Amount (RMB'000)	31 December 2022 Amount (RMB'000)	Changes between the end of the Reporting Period and the end of the previous year (%)
Total assets	83,931,076	75,379,877	11.34
Total liabilities	35,649,170	28,207,473	26.38
Equity attributable to equity shareholders of the Company	45,773,649	44,862,013	2.03

3. BUSINESS REVIEW AND OUTLOOK

(I) MACRO ENVIRONMENT

In the first half of 2023, the global economic development was generally on the upswing, with an improvement in trading activities of economies. China has made coordinated efforts to promote the high-quality development of enterprises, continued to optimise the industrial structure through upgrading and transformation and proactively implemented various fiscal stimulation policies, which effectively promoted steady growth in the national economy as a whole, with a GDP growth of 5.5% in the first half of the year.

With the continuous deepening of eco-civilization infrastructure, China is accelerating the establishment of a green, low-carbon and circular economic development system, which brings opportunities for the booming development of environmental protection industry. Therefore, the Group has seized the opportunity of the development of green and environmental protection industry, broadened industrial development concepts, promoted the innovation and upgrading of technologies and actively developed the recycling industry, so as to further enhance the business scale and efficiency and practise the concept of green and sustainable development with solid actions.

During the Reporting Period, the Group achieved operating revenue of RMB4.438 billion, representing a period-on-period increase of 16.03%. The net profit of our principal activities attributable to equity shareholders from continuing operations of the Group (excluding share of profits of associates) amounted to RMB0.549 billion, representing a period-on-period increase of 1.21%.

(II) BUSINESS REVIEW

In the first half of 2023, under the strong leadership of the Board and adhering to the concept of high-quality development, the Group endeavored to build a large-scale environmental protection enterprise group with synergistic development of multiple industries by implementing refined management, reducing unit operating costs and strengthening technological research and development.

The Group explored the transformation and upgrade of the industry by focusing on technological innovation in the waste incineration solutions segment and developing various business operations such as steam sales and kitchen waste treatment, so as to ensure a stable operation of the waste incineration solutions segment. As for the new energy materials segment, the Group endeavored to build its distinctive manufacturing processes by employing innovative marketing models, proactively establishing cooperation with leading enterprises in the industry and promoting product system certification. In terms of the recycling industry, the Group advanced the development of quality projects across the country based on its unique technology.

As at the end of the Reporting Period, the Group had promoted a total of 126 projects in 25 provinces, municipalities and autonomous regions nationwide, including 105 grate furnace power generation projects, 2 kitchen waste treatment projects, 10 waste treatment by cement kilns projects, 1 waste transfer project, 2 new energy materials projects and 6 lithium battery recycling and comprehensive utilisation projects, with an annual treatment capacity of municipal waste of approximately 21.244 million tonnes (approximately 59,190 tonnes/day).

3. BUSINESS REVIEW AND OUTLOOK

Municipal Waste Treatment

1. Grate Furnace Power Generation

(1) *Project expansion*

During the Reporting Period, the Group successfully entered into contracts for two grate furnace power generation projects in Yuanyang, Yunnan Province and Jingshan, Hubei Province, as well as a waste transfer project in Shitai, Anhui Province. Meanwhile, the Group launched mergers and acquisitions of waste power generation project companies by fully capitalising on its industry scale advantage. During the Reporting Period, the Group carried out the mergers and acquisitions of two waste power generation projects in Liaocheng, Shandong Province and Gaotang, Shandong Province and two fly ash treatment projects in Dongge, Shandong Province and Guan County, Shandong Province.

(2) *Project operation*

During the Reporting Period, the Group endeavored to enhance the operational efficiency of its projects by implementing professional and refined management and resolving technical difficulties in operation. At the same time, the Group encouraged project companies to expand sources of waste and enhance the electricity generation level of waste-to-energy projects, so as to ensure high-quality operation of projects.

During the Reporting Period, for the grate furnace power generation segment, the Group received a total of approximately 7.558 million tonnes of municipal waste, representing a period-on-period increase of 35%. Approximately 6.576 million tonnes of municipal waste were treated, representing a period-on-period increase of 39%. On-grid electricity was approximately 2,154 million kWh, representing a period-on-period increase of 33%. The average on-grid electricity calculated according to the volume processed in furnace was approximately 328 kWh.

3. BUSINESS REVIEW AND OUTLOOK

Details of the Group's grate furnace power generation projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
1	In operation	Jinzhai, Anhui Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2016
2		Tongren, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	July 2017
3		Yanshan, Yunnan Province (Phase 1)	110,000 tonnes/year (300 tonnes/day)	August 2017
4		Huoqiu, Anhui Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2018
5		Li County, Hunan Province	2×140,000 tonnes/year (2×400 tonnes/day)	April 2018
6		Songming, Yunnan Province (Phase 1)	110,000 tonnes/year (300 tonnes/day)	January 2019
7		Shanggao, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	February 2019
8		Yiyang, Jiangxi Province	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019
9		Shache, Xinjiang	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019
10		Sishui, Shandong Province	140,000 tonnes/year (400 tonnes/day)	June 2019
11		Bole, Xinjiang	110,000 tonnes/year (300 tonnes/day)	July 2019
12		Yang County, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	October 2019
13		Baoshan, Yunnan Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2020
14		Fuquan, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2020
15		Lujiang, Anhui Province	2×180,000 tonnes/year (2×500 tonnes/day)	January 2020
16		Xianyang, Shaanxi Province	2×270,000 tonnes/year (2×750 tonnes/day)	July 2020
17		Xishui, Guizhou Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	July 2020
18		Shizhu, Chongqing City	110,000 tonnes/year (300 tonnes/day)	August 2020
19		Huoshan, Anhui Province	140,000 tonnes/year (400 tonnes/day)	August 2020
20		Tengchong, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	November 2020

3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
21	In operation	Ningguo, Anhui Province	140,000 tonnes/year (400 tonnes/day)	November 2020
22		Luxi, Yunnan Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2021
23		Mangshi, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	March 2021
24		Luoping, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	March 2021
25		Dexing, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	November 2020
26		Zongyang, Anhui Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	April 2021
27		Shahe, Hebei Province (Phase 1)	2×180,000 tonnes/year (2×500 tonnes/day)	April 2021
28		Shimen, Hunan Province	180,000 tonnes/year (500 tonnes/day)	May 2021
29		Jiuquan, Gansu Province	180,000 tonnes/year (500 tonnes/day)	June 2021
30		Manzhouli, Inner Mongolia	140,000 tonnes/year (400 tonnes/day)	June 2021
31		Hanshou, Hunan Province	140,000 tonnes/year (400 tonnes/day)	June 2021
32		Suiyang, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	June 2021
33		Panshi, Jilin Province	140,000 tonnes/year (400 tonnes/day)	July 2021
34		Pingguo, Guangxi Region (Phase 1)	140,000 tonnes/year (400 tonnes/day)	July 2021
35		Tongchuan, Shaanxi Province	180,000 tonnes/year (500 tonnes/day)	August 2021
36		Zhenxiong, Yunnan Province (Phase 1)	180,000 tonnes/year (500 tonnes/day)	September 2021
37		Shuangfeng, Hunan Province	180,000 tonnes/year (500 tonnes/day)	October 2021
38		Hejin, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	October 2021
39		Pingliang, Gansu Province	180,000 tonnes/year (500 tonnes/day)	November 2021
40		Binzhou, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	November 2021

3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
41	In operation	Tongzi, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	November 2021
42		Wuwei, Anhui Province	180,000 tonnes/year (500 tonnes/day)	December 2021
43		Fugou, Henan Province	220,000 tonnes/year (600 tonnes/day)	April 2022
44		Du'an, Guangxi Region	140,000 tonnes/year (400 tonnes/day)	June 2022
45		Luzhai, Guangxi Region	140,000 tonnes/year (400 tonnes/day)	June 2022
46		Suzhou, Anhui Province	180,000 tonnes/year (500 tonnes/day)	August 2022
47		Longkou, Shandong Province	220,000 tonnes/year (600 tonnes/day)	August 2022
48		Zhangjiakou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	September 2022
49		Fengning, Hebei Province	110,000 tonnes/year (300 tonnes/day)	October 2022
50		He County, Anhui Province	220,000 tonnes/year (600 tonnes/day)	October 2022
51		Naiman Banner, Inner Mongolia	110,000 tonnes/year (300 tonnes/day)	November 2022
52		Weichang, Hebei Province	110,000 tonnes/year (300 tonnes/day)	February 2023
53		Shucheng, Anhui Province	140,000 tonnes/year (400 tonnes/day)	March 2023
54		Shulan, Jilin Province	140,000 tonnes/year (400 tonnes/day)	April 2023
55		Xichou, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	June 2023
56		Taonan, Jilin Province	140,000 tonnes/year (400 tonnes/day)	June 2023

3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
57	In operation (Project acquired)	Luanzhou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021
58		Guantao, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021
59		Guan County, Shandong Province	220,000 tonnes/year (600 tonnes/day)	March 2020
60		Chiping, Shandong Province	220,000 tonnes/year (600 tonnes/day)	June 2018
61		Jinxiang, Shandong Province	290,000 tonnes/year (800 tonnes/day)	October 2019
62		Chenzhou, Hunan Province	450,000 tonnes/year (1,250 tonnes/day)	July 2015
63		Baotou, Inner Mongolia	490,000 tonnes/year (1,350 tonnes/day)	December 2012
64		Hohhot, Inner Mongolia	630,000 tonnes/year (1,750 tonnes/day)	November 2017
65		Jilin, Jilin Province	540,000 tonnes/year (1,500 tonnes/day)	January 2009
66		Bijie, Guizhou Province	290,000 tonnes/year (800 tonnes/day)	April 2021
67		Jingdezhen, Jiangxi Province (Phase 1)	360,000 tonnes/year (1,000 tonnes/day)	November 2016
68		Liaocheng, Shandong Province	360,000 tonnes/year (1,000 tonnes/day)	December 2012
69		Gaotang, Shandong Province	220,000 tonnes/year (600 tonnes/day)	May 2020
Sub-total:			14,370,000 tonnes/year (39,950 tonnes/day)	

3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
70	Under construction	Jinning, Yunnan Province	140,000 tonnes/year (400 tonnes/day)	July 2023
71		Meitan, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	July 2023
72		Jingdezhen, Jiangxi Province (Phase 2)	180,000 tonnes/year (500 tonnes/day)	October 2023
73		Danjiangkou, Hubei Province	110,000 tonnes/year (300 tonnes/day)	October 2023
74		Songming, Yunnan Province (Phase 2)	180,000 tonnes/year (500 tonnes/day)	October 2023
75		Bac Ninh, Vietnam	110,000 tonnes/year (300 tonnes/day)	October 2023
76		Liangping, Chongqing City	140,000 tonnes/year (400 tonnes/day)	November 2023
77		Huayin, Shaanxi Province	140,000 tonnes/year (400 tonnes/day)	November 2023
78		Qingzhen, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	December 2023
79		Pingguo, Guangxi Region (Phase 2)	140,000 tonnes/year (400 tonnes/day)	December 2023
80		Qiyang, Hunan Province	180,000 tonnes/year (500 tonnes/day)	December 2023
81		Dongzhi, Anhui Province	140,000 tonnes/year (400 tonnes/day)	January 2024
82		Yongde, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	May 2024
83		Gengma, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	May 2024
84		Wushan, Chongqing City	130,000 tonnes/year (350 tonnes/day)	May 2024
85		Zhuanglang, Gansu Province	180,000 tonnes/year (500 tonnes/day)	June 2024
86		Haidong, Qinghai Province	180,000 tonnes/year (500 tonnes/day)	June 2024
87		Jianshui, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	July 2024
88		Tai'an, Liaoning Province	110,000 tonnes/year (300 tonnes/day)	August 2024
89		Lufeng, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	August 2024
90	Yuanyang, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	August 2024	
Sub-total:			3,070,000 tonnes/year (8,550 tonnes/day)	

3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
91	Under approval and planning	Susong, Anhui Province	140,000 tonnes/year (400 tonnes/day)	/
92		Yan Shan, Yunnan Province (Phase 2)	110,000 tonnes/year (300 tonnes/day)	/
93		Hunyuan, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	/
94		Youxi, Fujian Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	/
95		Yun County, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	/
96		Nandan, Guangxi Region	110,000 tonnes/year (300 tonnes/day)	/
97		Jingshan, Hubei Province	130,000 tonnes/year (350 tonnes/day)	/
Sub-total:			990,000 tonnes/year (2,750 tonnes/day)	
98	Reserve project	Youxi, Fujian Province (Phase 2)	140,000 tonnes/year (400 tonnes/day)	/
99		Zhenxiong, Yunnan Province (Phase 2)	180,000 tonnes/year (500 tonnes/day)	/
100		Xishui, Guizhou Province (Phase 2)	140,000 tonnes/year (400 tonnes/day)	/
101		Zongyang, Anhui Province (Phase 2)	140,000 tonnes/year (400 tonnes/day)	/
102		Shahe, Hebei Province (Phase 2)	2×180,000 tonnes/year (2×500 tonnes/day)	/
103		Taiyuan, Vietnam	180,000 tonnes/year (500 tonnes/day)	/
104		Xuan Son, Vietnam	2×180,000 tonnes/year (2×500 tonnes/day)	/
105		Gampaha District, Sri Lanka	180,000 tonnes/year (500 tonnes/day)	/
Sub-total:			1,680,000 tonnes/year (4,700 tonnes/day)	
Total:			20,110,000 tonnes/year (55,950 tonnes/day)	

Note: Annual treatment capacity of the project = Daily treatment capacity of the project multiplied by 360 days

As at the end of the Reporting Period, a total of 31 of the Group's grate furnace power generation projects were included in the list of national subsidised renewable energy power generation projects.

3. BUSINESS REVIEW AND OUTLOOK

2. Kitchen Waste Treatment

The Group has actively expanded the kitchen waste treatment business. During the Reporting Period, the Group secured 3 new kitchen waste treatment projects in Shucheng, Anhui Province, Shanggao, Jiangxi Province and Dexing, Jiangxi Province, of which the projects in Wuhu, Anhui Province and Lingbi, Anhui Province are run by independently operated project companies. As at the end of the Reporting Period, a total of 16 projects were contracted, with a treatment capacity of approximately 394,000 tonnes/year (1,040 tonnes/day).

Details of the Group's kitchen waste treatment projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity
1	In operation	Longkou, Shandong Province	10,000 tonnes/year (30 tonnes/day)
2		Fengning, Hebei Province	7,000 tonnes/year (20 tonnes/day)
3		Fugou, Henan Province	10,000 tonnes/year (30 tonnes/day)
4		Hejin, Shanxi Province	20,000 tonnes/year (45 tonnes/day)
5		Pingliang, Gansu Province	20,000 tonnes/year (50 tonnes/day)
6		Suzhou, Anhui Province	70,000 tonnes/year (200 tonnes/day)
7		Weichang, Hebei Province	7,000 tonnes/year (20 tonnes/day)
8		Jinzhai, Anhui Province	20,000 tonnes/year (45 tonnes/day)
9		Wuhu, Anhui Province	70,000 tonnes/year (200 tonnes/day)
10		Lingbi, Anhui Province	40,000 tonnes/year (100 tonnes/day)
Sub-total:			274,000 tonnes/year (740 tonnes/day)
11	Under construction	Songming, Yunnan Province	20,000 tonnes/year (50 tonnes/day)
12		Jinning, Yunnan Province	10,000 tonnes/year (30 tonnes/day)
13		Liangping, Chongqing City	40,000 tonnes/year (100 tonnes/day)
14		Shucheng, Anhui Province	20,000 tonnes/year (45 tonnes/day)
15		Shanggao, Jiangxi Province	20,000 tonnes/year (45 tonnes/day)
16		Dexing, Jiangxi Province	10,000 tonnes/year (30 tonnes/day)
Sub-total:			120,000 tonnes/year (300 tonnes/day)
Total:			394,000 tonnes/year (1,040 tonnes/day)

3. BUSINESS REVIEW AND OUTLOOK

3. Waste Treatment by Cement Kilns

As at the end of the Reporting Period, 10 projects of waste treatment by cement kilns were completed, with a treatment capacity of approximately 740,000 tonnes/year (2,200 tonnes/day). A total of approximately 194,000 tonnes of municipal waste were received, and a total of approximately 161,000 tonnes of municipal waste were treated.

Details of the Group's waste treatment by cement kilns projects are set out in the following table:

No.	Status of Construction	Project Location	Business Model	Treatment Capacity
1	In operation	Qingzhen, Guizhou Province	BOT	100,000 tonnes/year (300 tonnes/day)
2		Yangchun, Guangdong Province		70,000 tonnes/year (200 tonnes/day)
3		Qiyang, Hunan Province		100,000 tonnes/year (300 tonnes/day)
4		Fusui, Guangxi Region		70,000 tonnes/year (200 tonnes/day)
5		Nanjiang, Sichuan Province		70,000 tonnes/year (200 tonnes/day)
6		Lingyun, Guangxi Region		30,000 tonnes/year (100 tonnes/day)
7		Xing'an, Guangxi Region		100,000 tonnes/year (300 tonnes/day)
8		Yingjiang, Yunnan Province		70,000 tonnes/year (200 tonnes/day)
9		Linxia, Gansu Province		100,000 tonnes/year (300 tonnes/day)
10		Yuping, Guizhou Province		30,000 tonnes/year (100 tonnes/day)
Total:				740,000 tonnes/year (2,200 tonnes/day)

As at the end of the Reporting Period, the Group had a municipal waste treatment capacity of approximately 21.244 million tonnes/year (approximately 59,190 tonnes/day), including approximately 15.384 million tonnes/year (approximately 42,890 tonnes/day) completed and approximately 5.86 million tonnes/year (approximately 16,300 tonnes/day) under construction, under approval and planning and reserve.

3. BUSINESS REVIEW AND OUTLOOK

New Energy Materials

With the increasing global demand for clean energy, the new energy battery industry is developing rapidly. The policy orientation, technological innovation and continuous improvement of industry chain have driven a new round of development in the industry. During the Reporting Period, the Group continuously improved the supply and sales system and accelerated the process of product certification of its project on lithium iron phosphate cathode materials with a focus on the trend of raw material prices. At the same time, the Group continued to optimise the construction plan for the first phase of the project on anode materials for energy storage batteries, steadily promoted engineering construction, and strived to achieve early commissioning of such project.

During the Reporting Period, the Group achieved revenue from new energy materials product sales of RMB29.63 million.

As the core of the Group for future industry development, the recycling industry focuses on further improvement of key operational indicators of projects while accelerating its layout of key regional projects across the country. During the Reporting Period, the Group signed contracts for three lithium battery recycling and comprehensive utilisation projects in Shijiazhuang, Hebei Province, Zaozhuang, Shandong Province and Tongchuan, Shaanxi Province, with a total contracted treatment capacity of approximately 135,000 tonnes/year. As at the date of this report, the Group successfully acquired a packaging container recycling project, which may dispose of 430,000 packaging containers/year.

Details of the Group's lithium battery recycling and comprehensive utilisation projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
1	Under construction	Wuhu, Anhui Province	15,000 tonnes/year	December 2023
Sub-total:			15,000 tonnes/year	
2	Under approval and planning	Huaibei, Anhui Province	15,000 tonnes/year	/
3		Shijiazhuang, Hebei Province	30,000 tonnes/year	/
4		Dengfeng, Henan Province	15,000 tonnes/year	/
5		Tongchuan, Shaanxi Province	30,000 tonnes/year	/
Sub-total:			90,000 tonnes/year	
6	Reserve project	Zaozhuang, Shandong Province	30,000 tonnes/year	/
Sub-total:			30,000 tonnes/year	
Total:			135,000 tonnes/year	

3. BUSINESS REVIEW AND OUTLOOK

New Building Materials and Port Logistics

The Group has conducted an in-depth analysis of the current product demand for new building materials and took the market demand as the guidance to consolidate the market share of core customers. In addition, the Group has also enriched product application scenarios, given play to product competitive advantages and exploited market segments, therefore seizing high-quality orders.

During the Reporting Period, the Group recorded product sales of new building materials of approximately 3.42 million square metres, with revenue of RMB52.85 million.

The Group has continued to carry out the construction of ecological terminals, achieved intelligent upgrading of equipment and management systems, strengthened market expansion and optimised customer and resource structure, so as to increase market share and build advanced intelligent ports.

During the Reporting Period, the Group recorded a throughput of port logistics of approximately 15.75 million tonnes, with revenue of RMB109.12 million.

(III) FUTURE PLAN AND OUTLOOK

In the second half of 2023, with industry development as the starting point, the Group will improve the quality and efficiency of the environmental protection business through refined internal management, expansion of external development channels and in-depth exploitation of industry segments. Meanwhile, the Group will actively and efficiently make layout in lithium battery recycling industry and explore the market of new energy materials industry, in a bid to seize the market opportunities for seeking the healthy development of mutual integration of industry structure.

Adhering to the main direction for the development of the environmental protection industry by improving quality and efficiency

First, the Group will keep advancing the research and development of technology and process innovation, in order to drive the waste treatment industry to develop in an efficient, low-carbon and environment-friendly manner by optimising processes, improving treatment efficiency, lowering energy consumption and reducing emissions. Second, the Group will strengthen market expansion and business integration, explore diversified income sources to increase revenue, realise the synergistic effect of diversified operations and enhance its comprehensive competitiveness.

3. BUSINESS REVIEW AND OUTLOOK

Unleashing new momentum for the development of the new energy industry with innovation

The Group will continue to fully leverage on its advantages in technology upgrading and capital and focus on expanding the high-quality fields along the upstream and downstream industry chains. The Group will carry out key works from the following aspects:

Firstly, the Group aims to accelerate the in-depth deployment in recycling industry. By following the national industrial development guidance and relying on the core competitiveness built with its exclusive, safe, environmental-friendly and low-cost process of recycling and reusing lithium battery resources, the Company will be driven to deepen and refine the recycling industry. By accelerating its pace in key cities and extending its business along the upstream and downstream industry chains, the Group will strive to expand its channels in the market and strengthen the market infrastructure.

Secondly, the Group aims to improve the construction of the supply chain for the production of positive and negative electrode materials, with a focus on increasing the presence in highly concentrated consumer markets such as power batteries and energy storage batteries. The Group will explore new collaborative mechanisms and actively seek partnerships with leading upstream and downstream enterprises in the industry, with the goal of establishing stable production and sales channels and high-quality production capacity.

Achieving fast growth through multi-segment integration with strong belief

Regarding the new building materials, the Group will open up the potential of the core market, continuously expand sales channels, and further improve the quality of products and services through professional management to enhance their core competitiveness.

Regarding the port logistics, the Group will integrate existing high-quality resources, open up the potentials, optimise the cargo structure and take the terminal transformation as an opportunity to seize high-quality customer groups, thereby to realise the sustainable and stable growth of business.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(I) PROFITS

Item	January– June 2023 Amount (RMB'000)	January– June 2022 Amount (RMB'000)	Changes between the Reporting Period and the corresponding period of the previous year (%)
Revenue	4,437,539	3,824,351	16.03
Profit before taxation	2,065,336	2,680,867	–22.96
Share of profits of associates	1,269,264	1,887,417	–32.75
Profit before taxation from principal businesses	796,072	793,450	0.33
Net profit attributable to equity shareholders of the Company	1,817,965	2,429,553	–25.17
Net profit from principal businesses attributable to equity shareholders of the Company	548,701	542,136	1.21

During the Reporting Period, the Group achieved revenue of RMB4,437.54 million, representing a period-on-period increase of 16.03%. Profit before taxation amounted to RMB2,065.34 million, representing a period-on-period decrease of 22.96%, mainly due to the decrease in share of profits of associates such as Conch Holdings. Share of profits of associates amounted to RMB1,269.26 million, representing a period-on-period decrease of 32.75%. Profit before taxation from principal businesses amounted to RMB796.07 million, representing a period-on-period increase of 0.33%. Net profit attributable to equity shareholders of the Company amounted to RMB1,817.97 million, representing a period-on-period decrease of 25.17%, among which, net profit from principal businesses attributable to equity shareholders of the Company amounted to RMB548.70 million, representing a period-on-period increase of 1.21%. Basic earnings per share and diluted earnings per share amounted to RMB1.00.

4. MANAGEMENT DISCUSSION AND ANALYSIS

1. Revenue by business stream

Item	January – June 2023		January – June 2022		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Waste incineration solutions	3,397,526	76.56	3,054,303	79.86	11.24	-3.30
Energy-saving equipment	848,406	19.12	588,811	15.40	44.09	3.72
New building materials	52,854	1.19	61,621	1.61	-14.23	-0.42
New energy materials	29,631	0.67	-	-	-	0.67
Port logistics	109,122	2.46	119,616	3.13	-8.77	-0.67
Total	4,437,539	100.00	3,824,351	100.00	16.03	-

During the Reporting Period, revenue of the Group maintained growth, of which the revenue from energy-saving equipment showed more substantial period-on-period growth. With a breakdown by business:

- (i) The revenue from waste incineration solutions amounted to RMB3,397.53 million, representing a period-on-period increase of 11.24%, which was mainly due to the successive commencement of operation of 7 projects of the Group in Shucheng, Anhui Province, Shulan, Jilin Province, Weichang, Hebei Province and other locations during the Reporting Period, and the commencement of operation of 7 projects of the Group in He County, Anhui Province, Longkou, Shandong Province and other locations in the second half of last year, resulting in the growth in revenue.
- (ii) The revenue from energy-saving equipment amounted to RMB848.41 million, representing a period-on-period increase of 44.09%, which was mainly due to the increase in orders as the Group actively expanded overseas market.
- (iii) The revenue from new building materials amounted to RMB52.85 million, representing a period-on-period decrease of 14.23%, which was mainly due to the decrease in both sales volume and prices as a result of the impact of the market.
- (iv) The revenue from new energy materials amounted to RMB29.63 million, which was mainly due to the Group's active market expansion and successful sales of new energy materials.
- (v) The revenue from port logistics amounted to RMB109.12 million, representing a period-on-period decrease of 8.77%, which was mainly due to the period-on-period decrease in throughput as a result of the impact of the market, leading to the decrease in revenue.

4. MANAGEMENT DISCUSSION AND ANALYSIS

2. Breakdown of revenue from waste incineration solutions

Revenue Breakdown	January – June 2023		January – June 2022		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Construction revenue	1,700,135	50.04	1,847,474	60.49	-7.98	-10.45
Grate furnace power generation	1,700,135	50.04	1,824,089	59.72	-6.80	-9.68
Waste treatment by cement kilns	-	-	23,385	0.77	-	-0.77
Operation revenue	1,697,391	49.96	1,206,829	39.51	40.65	10.45
Grate furnace power generation	1,667,345	49.08	1,175,421	38.48	41.85	10.60
Waste treatment by cement kilns	30,046	0.88	31,408	1.03	-4.34	-0.15
Total	3,397,526	100.00	3,054,303	100.00	11.24	-

During the Reporting Period, the revenue from waste incineration solutions segment during the construction period amounted to RMB1,700.14 million, representing a period-on-period decrease of 7.98%, which was mainly due to the decrease in the number of the Group's projects under construction. The operation revenue from waste incineration solutions segment amounted to RMB1,697.39 million, representing a period-on-period increase of 40.65%, which was mainly due to the commencement of operation of 7 new projects in Shucheng, Anhui Province, Shulan, Jilin Province, Weichang, Hebei Province and other locations, and 7 projects under operation in He County, Anhui Province, Longkou, Shandong Province and other locations in the second half of last year, leading to the growth in revenue.

4. MANAGEMENT DISCUSSION AND ANALYSIS

3. Revenue by geographical locations

Item	January – June 2023		January – June 2022		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Mainland China	3,894,623	87.77	3,795,884	99.26	2.60	-11.49
Asia (except Mainland China)	542,916	12.23	28,467	0.74	1,807.18	11.49
Total	4,437,539	100.00	3,824,351	100.00	16.03	-

During the Reporting Period, the Group's revenue derived from the Mainland China market recorded a period-on-period increase of 2.60%. The revenue derived from Asia (except Mainland China) market amounted to RMB542.92 million with a significant period-on-period increase, which was mainly due to the increase in the number of the Group's overseas orders for energy-saving equipment.

4. Gross profit and gross profit margin

Item	January – June 2023		January – June 2022		Change in amount (%)	Change in gross profit margin (percentage points)
	Gross Profit (RMB'000)	Gross Profit margin (%)	Gross Profit (RMB'000)	Gross Profit margin (%)		
Waste incineration solutions	970,900	28.58	879,082	28.78	10.44	-0.20
Energy-saving equipment	135,391	15.96	170,794	29.01	-20.73	-13.05
New building materials	1,373	2.60	8,762	14.22	-84.33	-11.62
New energy materials	5,698	19.23	-	-	-	19.23
Port logistics	67,437	61.80	73,582	61.52	-8.35	0.28
Total	1,180,799	26.61	1,132,220	29.61	4.29	-3.00

4. MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the gross profit margin of the Group was 26.61%, representing a period-on-period decrease of 3.00 percentage points. With a breakdown by business segments:

- (i) the gross profit margin for waste incineration solutions was 28.58%, basically unchanged from the last period.
- (ii) the gross profit margin for energy-saving equipment was 15.96%, representing a period-on-period decrease of 13.05 percentage points, which was mainly due to the lower gross profit caused by the low gross profit of overseas business orders acquired by the Group as affected by the market.
- (iii) the gross profit margin for new building materials was 2.60%, representing a period-on-period decrease of 11.62 percentage points, which was mainly due to the increase in fixed costs per unit resulting from the decrease in production as affected by market fluctuations.
- (iv) the gross profit margin for port logistics was 61.80%, basically unchanged from the last period.

5. Other net income

During the Reporting Period, the Group's other net income amounted to RMB254.60 million, representing a period-on-period increase of RMB68.03 million, or 36.46%, which was mainly because of the period-on-period increase in the government grants received by the Group.

6. Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB271.77 million, representing a period-on-period increase of RMB34.97 million, or 14.77%, which was mainly due to the increase in depreciation expense and the Group's provision for loss allowance of trade and other receivables.

7. Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB356.71 million, representing a period-on-period increase of RMB78.12 million, or 28.04%, which was mainly due to the new bank loans of the Group and the issuance of medium-term notes, resulting in the increase in finance costs.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL POSITION

As at 30 June 2023, the Group's total assets amounted to RMB83,931.08 million, representing an increase of RM8,551.20 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB45,773.65 million, representing an increase of RMB911.64 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 42.47%, representing an increase of 5.05 percentage points as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As at 30 June 2023 (RMB'000)	As at 31 December 2022 (RMB'000)	Changes between the end of the Reporting Period and the end of the previous year (%)
Property, plant and equipment	5,939,032	4,077,828	45.64
Non-current assets	69,900,967	66,016,132	5.88
Non-current liabilities	24,418,216	17,853,809	36.77
Current assets	14,030,109	9,363,745	49.83
Current liabilities	11,230,954	10,353,664	8.47
Net current assets/(liabilities)	2,799,155	-989,919	-
Equity attributable to equity shareholders of the Company	45,773,649	44,862,013	2.03
Total assets	83,931,076	75,379,877	11.34
Total liabilities	35,649,170	28,207,473	26.38

1. Non-current assets and non-current liabilities

As at 30 June 2023, non-current assets of the Group amounted to RMB69,900.97 million, representing an increase of 5.88% as compared to the end of the previous year, which was mainly due to the increase in investment by the Group in property, plant and equipment and intangible assets; non-current liabilities amounted to RMB24,418.22 million, representing an increase of 36.77% as compared to the end of the previous year, which was mainly due to the increase in bank loans of the Group and the issuance of medium-term notes during the Reporting Period.

4. MANAGEMENT DISCUSSION AND ANALYSIS

2. Current assets and current liabilities

As at 30 June 2023, current assets of the Group amounted to RMB14,030.11 million, current liabilities amounted to RMB11,230.95 million, and net current assets amounted to RMB2,799.16 million, representing an increase of RMB3,789.07 million as compared to the end of the previous year, which was mainly due to the increase in cash and cash equivalents as the Group raised proceeds of RMB2.7 billion from the issuance of medium-term notes during the Reporting Period.

3. Equity attributable to equity shareholders of the Company

As at 30 June 2023, the equity attributable to equity shareholders of the Company amounted to RMB45,773.65 million, representing an increase of 2.03% as compared to the end of the previous year, which was mainly due to the both increases in the net profit of the principal business and the equity in associated companies attributable to equity shareholders of the Group.

(III) LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, the Group took full advantage of the capital size and enhanced returns of the stock funds through enhancing capital planning and management and reasonable allocation of project loans, so as to fully satisfy the Company's capital needs. As at 30 June 2023, the Group's cash and cash equivalents amounted to RMB8,407.58 million, which were mainly denominated in RMB, Hong Kong dollars and US dollars.

Bank loans

Item	As at 30 June 2023 (RMB'000)	As at 31 December 2022 (RMB'000)
Due within one year	894,560	690,590
Due after one year but within two years	3,467,856	940,520
Due after two years but within five years	5,126,630	6,474,896
Due after five years	12,519,020	10,080,429
Total	22,008,066	18,186,435

As at 30 June 2023, the balance of bank loans of the Group amounted to RMB22,008.07 million, representing an increase of RMB3,821.63 million as compared to the end of the previous year, which was mainly due to the increase in bank loans raised by the Group during the Reporting Period. As at 30 June 2023, the Group's bank loans were denominated in RMB and US dollars, and most of the loan interests were subject to variable interest rate.

4. MANAGEMENT DISCUSSION AND ANALYSIS

Cash flows

Item	January– June 2023 (RMB'000)	January– June 2022 (RMB'000)
Net cash generated from operating activities	935,991	866,517
Net cash used in investing activities	-2,519,033	-2,257,870
Net cash generated from financing activities	5,625,961	4,395,077
Net increase in cash and cash equivalents	4,042,919	3,003,724
Effect of foreign exchange rate changes	3,021	-44,286
Cash and cash equivalents at the beginning of the period	4,361,637	3,156,158
Distribution in specie	–	-541,906
Cash and cash equivalents at the end of the period	8,407,577	5,573,690

Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB935.99 million, representing a period-on-period increase of RMB69.47 million, which was mainly due to increase in the number of waste-to-energy projects in operation of the Group.

Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB2,519.03 million, representing a period-on-period increase of RMB261.16 million, which was mainly due to combined effect of the decrease in investment expenses of the Group and the period-on-period decrease in the dividends received from the associate of Conch Holdings during the Reporting Period.

Net cash generated from financing activities

During the Reporting Period, net cash generated from financing activities of the Group amounted to RMB5,625.96 million, representing a period-on-period increase of RMB1,230.88 million, which was mainly due to the increase in proceeds from the issuance of medium-term notes by the Group.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(IV) COMMITMENTS

As at 30 June 2023, the Group's commitments for purchases in connection with construction contracts were as follows:

Item	As at 30 June 2023 (RMB'000)	As at 31 December 2022 (RMB'000)
Contracted for	4,247,911	5,856,926
Authorized but not contracted for	1,274,838	2,484,854
Total	5,522,749	8,341,780

(V) FOREIGN EXCHANGE RISK

The Group's functional currency is RMB. Foreign exchange risks faced by the Group were mainly derived from account receivables and account payables arising from sales and procurement which were mainly denominated in currencies including US dollars and Hong Kong dollars. Other than that, most of the assets and transactions of the Group were denominated in RMB, and the capital expenditures of the Group's domestic business were generally funded with the revenue in RMB. As a result, the Group is not exposed to significant foreign exchange risks.

During the Reporting Period, the Group did not use any financial instruments to hedge against any foreign exchange risks.

(VI) CONTINGENT LIABILITIES

As at 30 June 2023, the Group did not have any material contingent liabilities.

(VII) PLEDGE OF ASSETS

As at 30 June 2023, right-of-use assets with carrying amount of RMB566.25 million, property, plant and equipment with carrying amount of RMB390.02 million and trade and other receivables with carrying amount of RMB178.53 million were pledged as collaterals for certain bank loans.

Save as disclosed above, the Group did not have any pledge of assets as at 30 June 2023.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(VIII) MATERIAL INVESTMENTS, ACQUISITIONS OR DISPOSALS

During the Reporting Period, the Group entered into four separate equity transfer agreements with Shandong Guohuan Industry Investment Co., Ltd.* (山東國環產業投資有限公司) and its subsidiaries to acquire the equity interest of four subsidiaries directly or indirectly held by Shandong Guohuan Industry Investment Co., Ltd. that are principally engaged in waste power generation projects and fly ash treatment projects, at a total consideration of RMB478.69 million, subject to certain adjustments in accordance with the terms of the relevant sale and purchase agreements.

Save as disclosed above, during the Reporting Period, the Group did not have any material investments, acquisitions or disposals.

(IX) CONVERTIBLE BONDS

On 5 September 2018, Conch Venture BVI, a wholly-owned subsidiary of the Company, issued zero coupon guaranteed convertible bonds (the “**Convertible Bonds**”) with an aggregate amount of HKD3.925 billion, the net proceeds from which amounted to approximately RMB3,376.40 million (the “**Net Proceeds**”). All the Net Proceeds raised have been fully utilised according to the intended use as disclosed during the year ended 31 December 2020.

On 17 April 2023, Conch Venture BVI partially redeemed the Convertible Bonds in a principal amount of HKD56.00 million (the “**Partial Redemption**”). None of the principal amount of the Convertible Bonds has been converted into conversion shares. Immediately after the completion of Partial Redemption and as at 30 June 2023, the outstanding principal amount of the Convertible Bonds was HKD3.817 billion. During the Reporting Period, none of the holders of the Convertible Bonds exercised their conversion rights.

The Convertible Bonds matured on 5 September 2023 and none of the outstanding principal amount of the Convertible Bonds has been converted into shares of the Company. Conch Venture BVI has redeemed the outstanding Convertible Bonds in whole at a redemption price equal to 114.63% of the outstanding principal amount of HKD3,817,000,000 together with all accrued and unpaid interests thereon and completed all relevant procedures thereafter pursuant to the terms of the subscription agreement dated 29 August 2018 in respect of the issue of the Convertible Bonds and the Convertible Bonds (the “**Full Redemption**”). The total price payable by Conch Venture BVI for the Full Redemption was funded by the internal resources of the Group and the proceeds from the issue of green medium-term notes by the Company. The Company believes that there will be no material impact on the financial position of the Group as a result of the Full Redemption. Following the Full Redemption, the Convertible Bonds were cancelled in whole, and the Company and Conch Venture BVI are discharged from all of the obligations under and in respect of the Convertible Bonds. For details, please refer to the announcement of the Company dated 5 September 2023.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(X) ISSUE OF MEDIUM-TERM NOTES

On 20 March 2023, the Company publicly issued the first tranche of green medium-term notes in inter-bank of the PRC, with an aggregate principal amount of RMB1.2 billion at an interest rate of 2.99% per annum for a term of three years. On 6 June 2023, the Company publicly issued the second tranche of green medium-term notes in inter-bank of the PRC, with an aggregate principal amount of RMB1.5 billion at an interest rate of 3.10% per annum for a term of three years. The proceeds raised were used to repay the Group's Convertible Bonds.

Details of the issue of the first tranche of green medium-term notes and the second tranche of green medium-term notes are published on the website of National Association of Financial Market Institutional Investors (www.nafmii.org.cn) and the website of Shanghai Clearing House (www.shclearing.com.cn).

(XI) HUMAN RESOURCES

The Group attached great importance to the development of human resources and continued to optimise the enterprise management system, strived to build a multi-level and systematic training system, and regularly conducted professional business training for employees in various positions to improve their comprehensive occupational skills and develop work capability on the job. At the same time, the Group also recruited students from vocational colleges and universities through various channels such as internal training and recruitment from the society, carried out oriented job training and continuously strengthened the construction of talent teams, so as to reserve professional talents for the Group's development.

As at 30 June 2023, the Group had 5,814 employees. The remuneration of employees is based on qualifications, experience, work performance and market conditions. As required by the PRC regulations on social insurance, the Group participated in the social insurance schemes operated by local government authorities which include pension insurance, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance. During the Reporting Period, the total remuneration of employees (including the remuneration of the Directors) was approximately RMB288.14 million (for the corresponding period in 2022: RMB241.69 million).

The Company adopted a share option scheme (the "**Share Option Scheme**") pursuant to a resolution in writing passed by all shareholders of the Company on 3 December 2013 for the purpose of granting options to certain participants as incentives or rewards for their contributions to the Group. Since the listing of the Company, the Company had not granted any share options under the Share Option Scheme.

5. OTHER INFORMATION

(I) INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2023.

(II) DISCLOSURE OF INTERESTS

1. Substantial Shareholders' Interests or Short Positions

As at 30 June 2023, so far as the Directors were aware, the interests or short positions of the persons other than the Directors and chief executive of the Company in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO were as follows:

Name of Shareholders	Nature of interests	Number of shares	Approximate percentage of shareholding (%)
SA Conch	Interest of controlled corporation	181,434,500 (L) (note 1)	10.01%
Anhui CV Group	Interest of controlled corporation	181,434,500 (L) (note 2)	10.01%
BlackRock, Inc.	Interest of controlled corporation	121,483,161 (L)	6.70%
		5,700,000 (S)	0.31%
Conch Venture	Interest of controlled corporation	109,810,500 (L) (note 3)	6.06%
Conch Venture Wuhu	Interest of controlled corporation	109,810,500 (L) (note 3)	6.06%
Conch Holdings	Beneficial owner	20,300,000 (L)	1.12%
	Interest of controlled corporation	89,510,500 (L) (note 4)	4.94%
Subtotal		109,810,500 (L)	6.06%

5. OTHER INFORMATION

Notes:

1. Among these shares, 163,495,000 shares, 6,344,000 shares and 11,595,500 shares are owned respectively by (i) 海螺創投控股（珠海）有限公司 (Conch Venture Holdings (Zhuhai) Co., Ltd.*) ("**CV Holdings (Zhuhai)**"), (ii) 安徽海螺創業醫療投資管理有限責任公司 (Anhui Conch Venture Medical Investment Management Co., Ltd.*) ("**CV Medical**") and (iii) 海螺創業國際有限公司 (Conch Venture International Limited*) ("**CVI**"), all of which are wholly-owned by Anhui CV Group. Anhui CV Group is deemed to be interested in the shares in which CV Holdings (Zhuhai), CV Medical and CVI are interested by virtue of the SFO. As 82.93% of Anhui CV Group's registered capital is held by SA Conch, SA Conch is deemed to be interested in the shares in which Anhui CV Group is interested by virtue of the SFO.
2. Among these shares, 163,495,000 shares, 6,344,000 shares and 11,595,500 shares are owned respectively by CV Holdings (Zhuhai), CV Medical and CVI. Anhui CV Group is deemed to be interested in the shares in which CV Holdings (Zhuhai), CV Medical and CVI are interested by virtue of the SFO.
3. Among these shares, 20,300,000 shares are directly owned by Conch Holdings and the remaining 79,219,500 shares and 10,291,000 shares are directly owned by (i) Conch Cement and (ii) Conch International Holdings (HK) Limited ("**Conch International**"), respectively. Conch Venture, through certain wholly-owned subsidiaries, indirectly holds the entire registered capital of Conch Venture Wuhu, and Conch Venture Wuhu holds 49% of the registered capital of Conch Holdings; Conch Holdings holds approximately 36.4% of the issued shares of Conch Cement, and Conch International is a wholly-owned subsidiary of Conch Cement. By virtue of the SFO, Conch Holdings is deemed to be interested in the shares in which Conch Cement and Conch International are interested; Conch Venture Wuhu is deemed to be interested in the shares in which Conch Holdings is interested; and Conch Venture is deemed to be interested in the shares in which the aforesaid companies are interested.
4. Among these shares, 79,219,500 shares and 10,291,000 shares are owned by Conch Cement and Conch International respectively. By virtue of the SFO, Conch Holdings is deemed to be interested in the shares in which Conch Cement and Conch International are interested.
5. The letters "L" and "S" denote a long position ("**L**") and a short position ("**S**") in the shares, respectively.

Save as disclosed above, as at 30 June 2023, the Directors were not aware of any other persons, other than the Directors and chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register of substantial shareholders required to be kept by the Company under section 336 of the SFO.

5. OTHER INFORMATION

2. Directors' and Chief Executive's Interests and Short Positions

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions they are taken, or are deemed to have, under such provisions of the SFO), or recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise are notified to the Company and the Stock Exchange pursuant to the Model Code were set out below:

The Company

Name of Directors	Nature of interests	Number of shares (long positions)	Approximate percentage of shareholding (%)
Mr. Guo Jingbin	Interest of controlled corporation (note 1)	47,680,000	2.63%
Mr. Ji Qinying	Interest of spouse (note 2)	35,033,752	1.93%
Mr. Li Jian	Beneficial owner	7,396,370	0.41%
	Interest of spouse (note 3)	105,346	0.01%
	Subtotal	7,501,716	0.41%
Mr. Li Daming	Beneficial owner	6,200,563	0.34%
	Interest of spouse (note 4)	10,000	0.00%
	Subtotal	6,210,563	0.34%
Mr. Shu Mao	Beneficial owner	143,000	0.01%

Notes:

- These shares are owned by Splendor Court, which is wholly owned by Mr. Guo Jingbin. Mr. Guo Jingbin is deemed to be interested in the shares held by Splendor Court by virtue of the SFO.
- These shares are owned by Ms. Yan Zi. Mr. Ji Qinying is deemed to be interested in the shares held by his spouse, Ms. Yan Zi, by virtue of the SFO.
- These shares are owned by Ms. Wang Zhenying. Mr. Li Jian is deemed to be interested in the shares held by his spouse, Ms. Wang Zhenying, by virtue of the SFO.
- These shares are owned by Ms. Zhang Qingmei. Mr. Li Daming is deemed to be interested in the shares held by his spouse, Ms. Zhang Qingmei, by virtue of the SFO.

5. OTHER INFORMATION

3. Interests and Short Positions of Senior Management

As at 30 June 2023, interests of the senior management of the Company were as follows:

Name of senior management	Nature of interests	Number of shares (long positions)	Approximate percentage of shareholding (%)
Mr. Wang Xuesen	Beneficial owner	2,197,918	0.12
Mr. Chen Xingqiang	Beneficial owner	4,000	0.00
Mr. Zhang Bangzhi	Beneficial owner	50,000	0.00

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company had interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions they are taken, or are deemed to have, under such provisions of the SFO), or recorded in the register required to be kept by the Company under section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

(III) PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

(IV) CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in the Directors' information since the date of the 2022 annual report of the Company are set out below:

1. Mr. Lau Chi Wah, Alex has retired as an independent non-executive Director, the chairman of the Remuneration and Nomination Committee and a member of the Audit Committee with effect from 20 June 2023.
2. Dr. Peng Suping has been appointed as an independent non-executive Director, a member of the Remuneration and Nomination Committee and a member of the Audit Committee with effect from 20 June 2023.
3. Mr. Chan Kai Wing has been re-designated from a member of the Remuneration and Nomination Committee to the chairman of the Remuneration and Nomination Committee with effect from 20 June 2023.
4. Mr. Yu Kaijun has resigned as a non-executive Director, a member of the Remuneration and Nomination Committee and a member of the Strategy, Sustainability and Risk Management Committee with effect from 26 June 2023.

5. OTHER INFORMATION

5. Mr. Liu Yan has been appointed as a non-executive Director, a member of the Remuneration and Nomination Committee and a member of the Strategy, Sustainability and Risk Management Committee with effect from 26 June 2023.
6. Mr. Chan Chi On (alias Derek Chan) has been appointed as an independent non-executive director of Embry Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1388), with effect from 25 May 2023.
7. Dr. Peng Suping has been appointed as an independent non-executive director of Yankuang Energy Group Company Limited* (兗礦能源集團股份有限公司) (the H shares and A shares of which are listed on the Main Board of the Stock Exchange (stock code: 1171) and the Shanghai Stock Exchange (stock code: 600188), respectively) with effect from 30 June 2023.

Save as disclosed above, there was no other change in the information of Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

(V) SHARE SCHEME

The Company has conditionally adopted the Share Option Scheme pursuant to a resolution in writing passed by all Shareholders on 3 December 2013 for the purpose of granting options to selected participants as incentives or rewards for their contributions to the Group.

Since the listing of the Company, no share option had been granted under the Share Option Scheme.

The number of options available for grant under the scheme mandate limit of the Share Option Scheme shall not exceed 176,500,000 as at 1 January 2023 and 30 June 2023.

(VI) CORPORATE GOVERNANCE

The Company is committed to achieving high standard of corporate governance in order to protect the interests of the Shareholders and improve corporate value and accountability. The Company acknowledges the importance of the Board in effectively leading and managing the business of the Company and ensuring the transparency and accountability of the Company's operation.

The Company has adopted the CG Code as the corporate governance code of the Company. The Board has confirmed that, during the Reporting Period, the Company complied with the principles and all applicable code provisions set out in Part 2 of the CG Code and standardised its operation, and the Company has constantly refined the corporate governance structure and enhanced its corporate governance under the guidance of the regulatory documents including the Listing Rules and the Articles of Association.

The Company regularly reviews and improves its corporate governance practices in order to be continuously in compliance with the requirements of the CG Code.

5. OTHER INFORMATION

(VII) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the securities transactions of the Company by the Directors and the relevant employees (who are likely to possess inside information of the Company or its securities) (the “**Securities Dealing Code**”) on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiries by the Company, all Directors confirmed that they complied with the Model Code and the Securities Dealing Code during the Reporting Period.

The Company has also adopted an insider dealing warning (the “**Insider Dealing Warning**”) for securities transactions of the Company by employees.

During the Reporting Period, the Company was not aware of any incident of non-compliance with the Model Code, the Securities Dealing Code and the Insider Dealing Warning by the relevant employees.

(VIII) AUDIT COMMITTEE

The Audit Committee comprises Mr. Chan Chi On (alias Derek Chan), Mr. Chan Kai Wing and Dr. Peng Suping, being the independent non-executive Directors. Mr. Chan Chi On (alias Derek Chan) is the chairman of the Audit Committee. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information, provide advice in respect of financial reporting and oversee and review the internal control system of the Company, and consider any significant or unusual matters and report to the Board for consideration. The “Terms of Reference of the Audit Committee of the Board of Directors” of the Company clearly defines the duties and rules of the committee.

The Audit Committee has reviewed the unaudited interim results and interim report of the Company for the six months ended 30 June 2023. The Audit Committee has no disagreement with the accounting treatments adopted by the Company.

5. OTHER INFORMATION

(IX) REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee comprises Mr. Liu Yan, a non-executive Director, and Mr. Chan Chi On (alias Derek Chan), Mr. Chan Kai Wing and Dr. Peng Suping, independent non-executive Directors. Mr. Chan Kai Wing is the chairman of the Remuneration and Nomination Committee. The primary duties of the Remuneration and Nomination Committee are to make recommendations to the Board on the overall remuneration policy and structure relating to all Directors and senior management of the Company, make recommendations to the Board on the remuneration packages for each of the executive Directors and senior management, review performance-based remuneration and ensure none of the Directors participate in deciding their own remuneration, and review the structure, size and composition (including skills, knowledge and experience) of the Board at least annually. The “Terms of Reference of the Remuneration and Nomination Committee of the Board of Directors” of the Company clearly defines the duties and rules of the committee.

The Remuneration and Nomination Committee has formulated a Board diversity policy which sets out the approach to achieve diversity of the Board.

(X) STRATEGY, SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

The Strategy, Sustainability and Risk Management Committee comprises Mr. Guo Jingbin, a non-executive Director and the chairman of the Board, Mr. Ji Qinying, an executive Director, the chief executive officer of the Company and vice-chairman of the Board, Mr. Liu Yan, a non-executive Director, and Mr. Chan Chi On (alias Derek Chan), an independent non-executive Director. Mr. Guo Jingbin is the chairman of the Strategy, Sustainability and Risk Management Committee. The Strategy, Sustainability and Risk Management Committee is mainly responsible for formulating the mid and long-term planning of development strategies of the Group, considering and making recommendations on policies for sustainable development, monitoring and reviewing the implementation of strategic development plans and policies related to sustainable development, monitoring and reviewing the risk management system, and assisting the Board in fulfilling its management and supervision responsibilities related to the sustainable development of the Group. The “Terms of Reference of the Strategy, Sustainability and Risk Management Committee of the Board of Directors” of the Company clearly defines the duties and rules of the committee.

(XI) EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The Group did not have any material events subsequent to the Reporting Period after the Reporting Period and up to the date of this interim report.

On behalf of the Board
China Conch Venture Holdings Limited
中國海螺創業控股有限公司
GUO Jingbin
Chairman

China, 25 August 2023

* English translation or transliteration of Chinese name for identification purpose only.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Continuing operations			
Revenue	5	4,437,539	3,824,351
Cost of sales		(3,256,740)	(2,692,131)
Gross profit		1,180,799	1,132,220
Other net income	6	254,595	186,566
Distribution costs		(10,841)	(9,939)
Administrative expenses		(271,767)	(236,800)
Profit from operations		1,152,786	1,072,047
Finance costs	7(a)	(356,714)	(278,597)
Share of profits of associates	11	1,269,264	1,887,417
Profit before taxation	7	2,065,336	2,680,867
Income tax	8	(109,037)	(131,947)
Profit for the period from continuing operations		1,956,299	2,548,920
Discontinued operations	4		
Profit from discontinued operations		–	56,758
Net gain on distribution in specie		–	12,049,261
Profit for the period		1,956,299	14,654,939

The Notes on pages 47 to 80 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 20(a).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Attributable to equity shareholders of the Company:			
— from continuing operations		1,817,965	2,429,553
— from discontinued operations		—	12,107,011
		1,817,965	14,536,564
Attributable to non-controlling interests of the Company:			
— from continuing operations		138,334	119,367
— from discontinued operations		—	(992)
		138,334	118,375
Profit for the period		1,956,299	14,654,939
Basic earnings per share	9		
— from continuing operations (RMB)		1.00	1.33
— from discontinued operations (RMB)		—	6.63
		1.00	7.96
Diluted earnings per share	9		
— from continuing operations (RMB)		1.00	1.33
— from discontinued operations (RMB)		—	6.63
		1.00	7.96

The Notes on pages 47 to 80 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Profit for the period		1,956,299	14,654,939
Other comprehensive income for the period (after tax and reclassification adjustments)			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive income of associates, net of tax		(101,172)	(326,276)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates, net of tax		(15,198)	(15,309)
Exchange differences on translation of financial statements of overseas subsidiaries		(118,923)	(154,354)
Other comprehensive income for the period		(235,293)	(495,939)
Total comprehensive income for the period		1,721,006	14,159,000
Attributable to equity shareholders of the Company:			
— from continuing operations		1,582,672	1,933,614
— from discontinued operations		—	12,107,011
		1,582,672	14,040,625
Attributable to non-controlling interests of the Company:			
— from continuing operations		138,334	119,367
— from discontinued operations		—	(992)
		138,334	118,375
Total comprehensive income for the period		1,721,006	14,159,000

The Notes on pages 47 to 80 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Non-current assets			
Property, plant and equipment	10	5,939,032	4,077,828
Right-of-use assets	10	1,811,322	1,743,969
Intangible assets	10	18,511,143	16,688,910
Goodwill		182,361	134,927
Interests in associates	11	37,319,661	36,896,482
Contract assets	14	4,412,139	4,805,720
Non-current portion of trade and other receivables	15	1,564,677	1,513,072
Financial assets measured at fair value through profit and loss ("FVPL")	12	82,500	82,500
Equity securities measured at fair value through other comprehensive income ("FVOCI")		10,320	10,320
Deferred tax assets		67,812	62,404
		69,900,967	66,016,132
Current assets			
Financial assets measured at fair value through profit and loss ("FVPL")	12	792,837	364,596
Inventories	13	419,732	444,393
Contract assets	14	613,242	526,408
Trade and other receivables	15	3,375,291	2,845,863
Restricted bank deposits		71,430	110,848
Bank deposits with original maturity over three months		350,000	710,000
Cash and cash equivalents	16	8,407,577	4,361,637
		14,030,109	9,363,745

The Notes on pages 47 to 80 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

at 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Current liabilities			
Bank loans	17	894,560	690,590
Convertible bonds	19	4,012,318	3,880,344
Trade and other payables	18	5,341,755	5,530,039
Contract liabilities		63,069	56,404
Lease liabilities		11,372	8,047
Dividends payable to equity shareholders of the Company	20(a)	670,269	—
Income tax payables		237,611	188,240
		11,230,954	10,353,664
Net current assets/(liabilities)			
		2,799,155	(989,919)
Total assets less current liabilities			
		72,700,122	65,026,213
Non-current liabilities			
Bank loans	17	21,113,506	17,495,845
Unsecured medium-term notes (“MTN”)		2,700,000	—
Lease liabilities		31,848	20,031
Non-current portion of other payables	18	219,860	—
Deferred income		115,733	97,828
Deferred tax liabilities		237,269	240,105
		24,418,216	17,853,809
Net assets			
		48,281,906	47,172,404
Capital and reserves			
Share capital	20	14,412	14,412
Reserves		45,759,237	44,847,601
Equity attributable to equity shareholders of the Company			
		45,773,649	44,862,013
Non-controlling interests			
		2,508,257	2,310,391
Total equity			
		48,281,906	47,172,404

The Notes on pages 47 to 80 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company								
	Share capital RMB'000 (Note 20(b))	Share premium RMB'000	Capital reserves RMB'000	PRC statutory reserves RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Retained earnings RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 1 January 2022	14,530	671,281	1,474,884	971,219	229,697	41,908,183	45,269,794	1,387,642	46,657,436
Changes in equity for the six months ended 30 June 2022:									
Profit for the period	-	-	-	-	-	14,536,564	14,536,564	118,375	14,654,939
Other comprehensive income	-	-	(341,585)	-	(154,354)	-	(495,939)	-	(495,939)
Total comprehensive income	-	-	(341,585)	-	(154,354)	14,536,564	14,040,625	118,375	14,159,000
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	290,176	290,176
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	159,107	159,107
Acquisition of non-controlling interests	-	-	(100)	-	-	-	(100)	(3,000)	(3,100)
Equity-settled share-based transactions	-	-	-	-	-	-	-	784,703	784,703
Repurchase and cancellation of ordinary shares	(118)	(235,629)	-	-	-	-	(235,747)	-	(235,747)
Profit distribution to non-controlling interests	-	-	-	-	-	-	-	(38,484)	(38,484)
Distribution in specie	-	-	440,738	(150,691)	-	(14,785,425)	(14,495,378)	(604,125)	(15,099,503)
Dividends approved in respect of the previous year	-	(419,488)	-	-	-	(670,977)	(1,090,465)	-	(1,090,465)
Balance at 30 June 2022	14,412	16,164	1,573,937	820,528	75,343	40,988,345	43,488,729	2,094,394	45,583,123
Balance at 1 July 2022	14,412	16,164	1,573,937	820,528	75,343	40,988,345	43,488,729	2,094,394	45,583,123
Changes in equity for the six months ended 31 December 2022:									
Profit for the period	-	-	-	-	-	1,422,624	1,422,624	112,023	1,534,647
Other comprehensive income	-	-	114,042	-	(162,707)	-	(48,665)	-	(48,665)
Total comprehensive income	-	-	114,042	-	(162,707)	1,422,624	1,373,959	112,023	1,485,982
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	110,115	110,115
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	(1,141)	(1,141)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(5,000)	(5,000)
Redemption of convertible bonds	-	-	(675)	-	-	-	(675)	-	(675)
Appropriation to reserves	-	-	-	163,830	-	(163,830)	-	-	-
Dividends approved in respect of the previous year	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	14,412	16,164	1,687,304	984,358	(87,364)	42,247,139	44,862,013	2,310,391	47,172,404

The Notes on pages 47 to 80 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company						Sub-total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000 (Note 20(b))	Share premium RMB'000 (Note 20(c))	Capital reserves RMB'000	PRC statutory reserves RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000			
Balance at 1 January 2023	14,412	16,164	1,687,304	984,358	(87,364)	42,247,139	44,862,013	2,310,391	47,172,404
Changes in equity for the six months ended 30 June 2023:									
Profit for the period	-	-	-	-	-	1,817,965	1,817,965	138,334	1,956,299
Other comprehensive income	-	-	(116,370)	-	(118,923)	-	(235,293)	-	(235,293)
Total comprehensive income	-	-	(116,370)	-	(118,923)	1,817,965	1,582,672	138,334	1,721,006
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	167,800	167,800
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	11,984	11,984
Redemption of convertible bonds	-	-	(767)	-	-	-	(767)	-	(767)
Profit distribution to non-controlling interests	-	-	-	-	-	-	-	(120,252)	(120,252)
Dividends approved in respect of the previous year	-	-	-	-	-	(670,269)	(670,269)	-	(670,269)
Balance at 30 June 2023	14,412	16,164	1,570,167	984,358	(206,287)	43,394,835	45,773,649	2,508,257	48,281,906

The Notes on pages 47 to 80 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Operating activities:		
Cash generated from operations	1,061,487	968,805
Income tax paid	(125,496)	(102,288)
Net cash generated from operating activities	935,991	866,517
Investing activities:		
Payment for purchase of property, plant and equipment, construction in progress and intangible assets	(2,729,233)	(3,032,018)
Payment for land use rights	(22,856)	(133,466)
Acquisition of subsidiaries, net of cash acquired	(493,748)	(786,451)
Payment for bank deposits with maturity over three months	(40,000)	(1,004,770)
Proceeds from maturity of bank deposits over three months	400,000	1,151,680
Payment for purchase of associates	(9,780)	–
Payment for purchase of financial assets measured at FVPL	(760,000)	(66,299)
Proceeds from redemption of financial assets measured at FVPL	320,000	15,000
Dividends received from associates	748,910	1,580,238
Other cash flows arising from investing activities	67,674	18,216
Net cash used in investing activities	(2,519,033)	(2,257,870)
Financing activities:		
Proceeds from loans	5,172,080	8,257,875
Repayment of loans	(1,973,735)	(4,393,357)
Proceeds from the MTN	2,700,000	–
Profit distribution to non-controlling interests	(54,122)	(38,078)
Capital contribution from non-controlling shareholders	167,800	290,176
Proceeds from equity-settled share-based transactions	–	784,703
Payment for repurchase of shares	–	(235,747)
Payment for redemption of convertible bonds	(54,885)	–
Other cash flows used in financing activities	(331,177)	(270,495)
Net cash generated from financing activities	5,625,961	4,395,077
Net increase in cash and cash equivalents	4,042,919	3,003,724
Effect of foreign exchange rate changes	3,021	(44,286)
Cash and cash equivalents at 1 January	4,361,637	3,156,158
Distribution in specie	–	(541,906)
Cash and cash equivalents at 30 June	8,407,577	5,573,690

The Notes on pages 47 to 80 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

1 GENERAL INFORMATION

China Conch Venture Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands with limited liability under the Cayman Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 19 December 2013 (the “**Listing**”).

The Company and its subsidiaries (together the “**Group**”) are principally engaged in waste incineration solutions, port logistics services, sale of new building materials and new energy materials in the People’s Republic of China (the “**PRC**”) and certain overseas markets.

2 BASIS OF PREPARATION

These unaudited consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“**IAS**”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“**IASB**”). It was authorised for issuance on 25 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in note 3.

The preparation of an interim financial report is in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2022 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (“**IFRSs**”).

The interim financial report is unaudited, but has been reviewed by the Audit Committee of the Company.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following new and amended IFRSs that are first effective for the current accounting period of the Group:

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform — Pillar Two model rules*

These developments have no material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 DISCONTINUED OPERATIONS

In 2021, the Company proposed to spin-off and separately list the shares of the solid waste solutions business of the Group under China Conch Environment Protection Holdings Limited ("**Conch Environment**") on the Main Board of the Stock Exchange. As at 31 December 2021, the directors of the Company considered that it was highly probable that the solid waste solutions business would be distributed to the Company's shareholders within the next twelve months. On 30 March 2022, the shares of Conch Environment were listed on the Stock Exchange, and the spin-off was completed.

As a result, the consolidated results of Conch Environment for the period from 1 January 2022 to 30 March 2022 were presented in the consolidated statement of profit or loss and other comprehensive income as discontinued operations. The consolidated statements of profit or loss and other comprehensive income distinguished the discontinued operations from the continuing operations.

The fair value of Conch Environment is with reference to the closing price and the number of issued shares on the first day of listing of Conch Environment on 30 March 2022 in accordance with IFRIC 17.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

4 DISCONTINUED OPERATIONS *(Continued)*

Analysis of net gain on distribution in specie:

	As at 30 March 2022 RMB'000
Fair value of Conch Environment	14,495,378
Less: Net assets distributed of Conch Environment	(2,522,274)
Add: recognition of unrealised profits arising from intra-group transactions	76,157
Net gain on distribution	12,049,261
Attributable to:	
Equity shareholder of the Company	12,049,261
Non-controlling interests	–
Net gain on distribution	12,049,261

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are construction and operation of waste-to-energy projects, port logistics services, the manufacturing and sales of new building materials, new energy materials and investments.

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Continuing operations		
Waste-to-energy projects		
— Waste incineration solutions (i)	3,397,526	3,054,303
— Energy saving equipment	848,406	588,811
Subtotal	4,245,932	3,643,114
Port logistics services	109,122	119,616
Sale of new building materials	52,854	61,621
Sale of new energy materials	29,631	—
Total revenue from continuing operations	4,437,539	3,824,351
Discontinued operations		
Solid waste solutions	—	328,034
	4,437,539	4,152,385

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING *(Continued)*

(a) Revenue *(Continued)*

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Timing of revenue recognition		
Continuing operations		
— Over time	3,568,553	3,249,962
— Point in time	868,986	574,389
	4,437,539	3,824,351
Discontinued operations		
— Over time	—	328,034

- (i) Revenue of waste incineration solutions under Build-Operate-Transfer (“**BOT**”) arrangements mainly represents the revenue for construction services, revenue from waste incineration project operation services and finance income. The amount of each significant category of revenue during the period is as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Revenue from waste incineration project construction services	1,700,135	1,847,474
Revenue from waste incineration project operation services	1,585,166	1,095,245
Finance income	112,225	111,584
Total	3,397,526	3,054,303

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

- (i) The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following reportable segments.

The measure used by the Group's senior executive management to assess segment results is the profit before taxation. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2023 and 2022 is set out below:

	Six months ended 30 June 2023 (Unaudited)								
	Continuing operations						Discontinued operations		Total
	Waste-to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy materials RMB'000	Investments RMB'000	Unallocated RMB'000	Solid waste solutions RMB'000	Elimination RMB'000	
Revenue from external customers	4,245,932	109,122	52,854	29,631	-	-	-	-	4,437,539
Inter-segment revenue	-	-	923	2,042	-	-	-	(2,965)	-
Reportable segment revenue	4,245,932	109,122	53,777	31,673	-	-	-	(2,965)	4,437,539
Reportable segment profit/(loss) before taxation	775,559	62,001	(17,902)	28,861	1,269,264	(51,524)	-	(923)	2,065,336
Interest income	19,533	176	320	-	-	35,815	-	-	55,844
Interest expenses	278,000	-	-	-	-	78,714	-	-	356,714
Depreciation and amortisation	402,075	17,310	7,285	4,539	-	2,349	-	-	433,558
Provision for loss allowance — trade and other receivables	30,309	-	-	-	-	-	-	-	30,309
Reportable segment assets	35,214,308	438,603	3,232,363	2,460,197	37,319,661	11,910,073	-	(6,644,129)	83,931,076
Reportable segment liabilities	27,396,067	25,561	3,557,056	1,459,143	-	9,855,472	-	(6,644,129)	35,649,170

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING (Continued)

(b) Segment reporting (Continued)

(i) (Continued)

	Six months ended 30 June 2022 (Unaudited)								
	Continuing operations						Discontinued operations		Total
	Waste-to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy materials RMB'000	Investments RMB'000	Unallocated RMB'000	Solid waste solutions RMB'000	Elimination RMB'000	
Revenue from external customers	3,643,114	119,616	61,621	-	-	-	328,034	-	4,152,385
Inter-segment revenue	28,928	-	-	-	-	-	9,745	(38,673)	-
Reportable segment revenue	3,672,042	119,616	61,621	-	-	-	337,779	(38,673)	4,152,385
Reportable segment profit/(loss) before taxation	772,620	62,726	(7,769)	-	1,887,417	(43,373)	12,122,817	2,740	14,797,178
Interest income	16,651	153	283	-	-	31,704	2,524	(2,904)	48,411
Interest expenses	203,773	-	-	-	-	77,728	21,404	(2,904)	300,001
Depreciation and amortisation	263,593	21,440	8,904	-	-	827	49,795	-	344,559
Provision for loss allowance — trade and other receivables	11,143	-	-	-	-	-	870	-	12,013
	At 31 December 2022								
	Continuing operations						Discontinued operations		Total
	Waste-to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy materials RMB'000	Investments RMB'000	Unallocated RMB'000	Solid waste solutions RMB'000	Elimination RMB'000	
Reportable segment assets	32,336,393	415,555	2,216,419	1,686,211	36,896,482	6,269,334	-	(4,440,517)	75,379,877
Reportable segment liabilities	23,712,166	48,924	2,442,285	933,845	-	5,510,770	-	(4,440,517)	28,207,473

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

5 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting *(Continued)*

(ii) Geographic information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, interests in associates, non-current portion of contract assets and trade and other receivables ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of property, plant and equipment and right-of-use assets, the location of the operation to which they are allocated, in the case of intangible assets and non-current portion of contract assets and trade and other receivables, and the location of operations, in the case of interests in associates.

Revenue from external customers

	Continuing operations		Discontinued operations	
	Six month ended 30 June		Six month ended 30 June	
	2023	2022	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000
Mainland China	3,894,623	3,795,884	-	328,034
Asia-Pacific (except Mainland China)	542,916	28,467	-	-
	4,437,539	3,824,351	-	328,034

Specified non-current assets

	30 June 2023	31 December 2022
	RMB'000	RMB'000
Mainland China	69,399,740	65,643,152
Asia-Pacific (except Mainland China)	340,595	301,844
	69,740,335	65,944,996

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

6 OTHER NET INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Continuing operations		
Interest income on bank deposits and cash at bank	55,844	45,887
Government grants	209,350	123,177
Recognition of negative goodwill as income	640	17,083
Net exchange gain	133	3,172
Net unrealised losses on financial assets measured at FVPL	(11,760)	(7,051)
Others	388	4,298
	254,595	186,566
Discontinued operations		
Interest income on bank deposits and cash at bank	–	2,524
Government grants	–	5,776
Others	–	215
	–	8,515
	254,595	195,081

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

(a) Finance costs:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Continuing operations		
Interest on loans and borrowings	322,757	245,411
Interest on lease liabilities	997	274
Interest on MTN	13,490	–
Interest on convertible bonds	64,147	60,187
Total interest expense on financial liabilities not at fair value through profit or loss	401,391	305,872
Less: interest expense capitalised into construction in progress and intangible assets	(44,677)	(27,275)
	356,714	278,597
Discontinued operations		
Interest on bank loans	–	30,388
Interest on lease liabilities	–	39
Total interest expense on financial liabilities not at fair value through profit or loss	–	30,427
Less: interest expense capitalised into construction in progress and intangible assets	–	(9,023)
	–	21,404
	356,714	300,001

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

7 PROFIT BEFORE TAXATION *(Continued)*

(b) Other items:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Continuing operations		
Depreciation of owned property, plant and equipment	119,578	51,094
Depreciation of right-of-use assets	22,760	18,513
Amortisation of intangible assets	291,220	225,157
Research and development costs	33,706	31,904
Loss allowance on trade receivables	30,309	11,143
Staff costs	288,141	241,685
Discontinued operations		
Depreciation of owned property, plant and equipment	–	46,433
Depreciation of right-of-use assets	–	1,360
Amortisation of intangible assets	–	2,002
Loss allowance on trade receivables	–	870
Staff costs	–	176,059

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Continuing operations		
Current tax — Hong Kong Profits Tax		
Provision for the period	—	—
Current tax — PRC Income Tax		
Provision for the period	171,638	186,217
Over provision in respect of prior years	(14,949)	(6,109)
Deferred tax:		
Origination and reversal of temporary differences, net	(47,652)	(48,161)
Income tax expense on continuing operations	109,037	131,947

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX *(Continued)*

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Discontinued operations		
Current tax — Hong Kong Profits Tax		
Provision for the period	—	—
Current tax — PRC income tax		
Provision for the period	—	10,431
Deferred tax:		
Origination and reversal of temporary differences, net	—	(139)
Income tax expense on discontinued operations	—	10,292

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (b) The provision for Hong Kong Profits Tax for 2023 is calculated at the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax was calculated at the same basis in 2022. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.
- (c) The PRC income tax law and its relevant regulations also impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, on dividend distributions made out of the PRC from earnings accumulated from 1 January 2008.

Under the Arrangement between the Mainland of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of the equity interest in a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5% on dividends received.

Since the Group can control the quantum and timing of distribution of profits of the Group’s PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

8 INCOME TAX *(Continued)*

- (d) The provision for PRC income tax is based on a statutory rate of 25% of the assessable income of the Company's mainland China subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the PRC income tax law, all of the Company's PRC subsidiaries are liable to PRC income tax at a rate of 25% except for certain entities entitled to a preferential income tax rate of 15% as they are certified as "High and New Technology Enterprise" ("HNTE"). According to Notice No. 24 issued by the State Administration of Taxation on 19 June 2017, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

Pursuant to Notice No. 23 issued by the State Administration of Taxation on 23 April 2020 and relevant local tax authorities' notices, certain subsidiaries of the Group are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC during the six months ended 30 June 2023.

- (e) Pursuant to the PRC Enterprise Income Tax Law Implementing Regulations issued by State Council of the People's Republic of China, certain subsidiaries engaged in waste incineration are eligible for a preferential tax treatment of income tax exemption for the first three years starting from which revenue is generated and 50% income tax reduction for the next three years.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

9 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company for the six months ended 30 June 2023 and the weighted average number of ordinary shares in issue during the six months ended 30 June 2023.

(i) Weighted average number of ordinary shares

	Six months ended 30 June	
	2023 '000	2022 '000
Issued ordinary shares at 1 January	1,812,985	1,826,765
Effect of repurchase and cancelled ordinary shares (note 20(b))	—	(1,015)
Weighted average number of ordinary shares	1,812,985	1,825,750

(ii) Profit attributable to ordinary equity shareholders

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Profit attributable to ordinary equity shareholders		
— Continuing operations	1,817,965	2,429,553
— Discontinued operations	—	12,107,011
	1,817,965	14,536,564

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

9 EARNINGS PER SHARE *(Continued)*

(a) Basic earnings per share *(Continued)*

(iii) Basic earnings per share

	Six months ended 30 June	
	2023	2022
	RMB	RMB
Basic earnings per share		
— Continuing operations	1.00	1.33
— Discontinued operations	–	6.63
	1.00	7.96

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2023 and 2022 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

10 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS

(a) Acquisition and disposals of owned property, plant and equipment

During the six months ended 30 June 2023, continuing operations of the Group acquired items of plant and equipment amounting to RMB1,992,966,000 (six months ended 30 June 2022: RMB2,080,130,000), among which RMB914,721,000 were acquired through business combination (six months ended 30 June 2022: RMB1,477,404,000). Items of plant and equipment from continuing operations with a net book value of RMB837,000 were disposed of during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB92,338,000).

As at 30 June 2023, property, plant and equipment from continuing operations with carrying amount of RMB390,022,000 (31 December 2022: RMB936,451,000) were pledged as collaterals for certain bank loans.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

10 PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INTANGIBLE ASSETS *(Continued)*

(b) Right-of-use assets

Right-of-use assets represent leased properties for own use and leasehold land for own use. During the six months ended 30 June 2023, the additions of right-of-use assets from continuing operations amounted to RMB96,319,000 (six months ended 30 June 2022: RMB313,161,000) among which RMB57,499,000 were acquired through business combination (six months ended 30 June 2022: RMB191,322,000).

As at 30 June 2023, leasehold land for own use from continuing operations with carrying amount of RMB566,254,000 (31 December 2022: RMB423,964,000) were pledged as collaterals for certain bank loans.

(c) Intangible assets

Intangible assets consist of software and waste incineration project operating rights. The cost of waste incineration project operating rights represented the fair value of operating rights acquired. During the six months ended 30 June 2023, additions of software and waste incineration project operating rights from continuing operations amounted to RMB2,113,453,000 (six months ended 30 June 2022: RMB5,645,161,000). The operating rights were deemed to be definite life intangible assets and the operation periods of the BOT arrangements vary from 20–30 years.

11 INTERESTS IN ASSOCIATES

As at 30 June 2023, interests in associates represented share of net assets of Anhui Conch Holdings Co., Ltd. (“**Conch Holdings**”) and other associates that are not individually material. For the six months period ended 30 June 2023, the Group recognised share of profits of associates in the amount of RMB1,269,264,000 in profit or loss from continuing operations (six months ended 30 June 2022: RMB1,887,417,000).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

12 FINANCIAL ASSETS MEASURED AT FVPL

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Non-current assets		
Unlisted equity securities at FVPL	82,500	82,500
Current assets		
Investment in structured deposit products (i)	760,000	320,000
Listed equity securities at FVPL		
— in Hong Kong (ii)	32,837	44,596
	875,337	447,096

- (i) The structured deposit products as at 30 June 2023 were issued by four PRC commercial banks with variable interest rates and have matured as at the date of report and been fully recovered by the Group.
- (ii) The listed equity securities represent the Group's shares in Hong Kong listed companies, Jianzhong Construction Development Limited (00589.HK) and China Conch Environment Protection Holdings Limited (00587.HK). The fair value of the investments was RMB3,489,000 and RMB29,348,000 respectively (note 21(a)), based on the quoted market prices as at 30 June 2023.

13 INVENTORIES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Raw materials	168,943	113,638
Work in progress	83,520	78,980
Finished goods	167,269	251,775
	419,732	444,393

During the six months ended 30 June 2023, no write-down of inventory was provided by the Group (six months ended 30 June 2022: Nil).

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

14 CONTRACT ASSETS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Current:		
Service concession assets (i)	39,916	39,566
Unbilled government on-grid tariff subsidy (ii)	490,181	379,546
Retention receivables (iii)	83,145	107,296
	613,242	526,408
Non-current:		
Service concession assets (i)	4,412,139	4,805,720
	5,025,381	5,332,128

- (i) The service concession assets bear interest at rates ranging from 6.01% to 9.41% (31 December 2022: 6.01% to 9.41%) per annum as at 30 June 2023 and relate to certain BOT arrangements of the Group. The amounts are not yet due for payment and will be settled during the operating periods of the arrangements. Included in "Service concession assets" are amounts of RMB292,445,000 (31 December 2022: RMB504,590,000) relates to BOT arrangements which are in construction phase.
- (ii) The balance represented the government on-grid tariff subsidy for certain projects which will be billed and settled upon the successful completion of government administrative procedures pursuant to notices jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration.
- (iii) The Group agrees to a retention period for 10% of the contract value for certain of its energy saving equipment sales contracts. This amount is included in contract assets until the end of the retention period. The balances are classified as current as they are expected to be recovered within the Group's normal operating cycle.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

15 TRADE AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade receivables	2,298,046	1,830,396
Bills receivable	35,550	92,857
Less: loss allowance for doubtful debts	(137,091)	(101,098)
Trade and bills receivables	2,196,505	1,822,155
Deposits and prepayments	138,163	133,029
Other receivables	666,245	570,978
Interest receivables	17,613	28,542
Amounts due from third parties	3,018,526	2,554,704
Amounts due from related parties (Note 24(b))	356,765	291,159
Current portion of trade and other receivables	3,375,291	2,845,863
Non-current portion of trade and other receivables	1,564,677	1,513,072
Total current and non-current trade and other receivables	4,939,968	4,358,935

All of the current portion of trade and other receivables are expected to be recovered within one year.

All of the amounts due from related parties are unsecured, non-interest bearing and repayable within one year.

As at 30 June 2023, trade receivables of approximately RMB178,527,000 (31 December 2022: RMB298,071,000) were pledged as collateral for Group's bank loans.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

15 TRADE AND OTHER RECEIVABLES *(Continued)*

Ageing analysis

As of the end of the reporting periods, the ageing analysis of trade receivables and bills receivable (which are included in trade and other receivables), based on the past due aging and net of loss allowance, is as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Current	1,752,507	1,463,265
Less than 1 year	330,239	252,416
1 to 2 years	103,193	101,425
2 to 3 years	10,566	5,049
	2,196,505	1,822,155

16 CASH AND CASH EQUIVALENTS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Cash at bank and on hand	8,829,007	5,182,485
Less: Restricted bank deposits	(71,430)	(110,848)
Bank deposits with original maturity over three months	(350,000)	(710,000)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	8,407,577	4,361,637

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

17 BANK LOANS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Current	894,560	690,590
Non-current	21,113,506	17,495,845
Total	22,008,066	18,186,435

As at 30 June 2023, the bank loans were repayable as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within one year	894,560	690,590
After one year but within two years	3,467,856	940,520
After two years but within five years	5,126,630	6,474,896
After five years	12,519,020	10,080,429
Total	22,008,066	18,186,435

As at 30 June 2023, the bank loans were secured as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Guaranteed and secured	49,000	258,979
Secured	1,921,394	1,103,582
Unsecured	20,037,672	16,823,874
Total	22,008,066	18,186,435

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

18 TRADE AND OTHER PAYABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade payables	3,645,661	3,399,138
Bills payable	260,816	214,889
	3,906,477	3,614,027
Other payables and accruals	1,103,899	1,562,197
Amounts due to third parties	5,010,376	5,176,224
Dividends payable to the then-shareholders of the acquired subsidiaries	114,293	58,728
Dividends payable to non-controlling interests	77,102	10,972
Amounts due to related parties (Note 24(b))	139,984	284,115
Current portion of trade and other payables	5,341,755	5,530,039
Non-current portion of other payables	219,860	–
Total current and non-current trade and other payables	5,561,615	5,530,039

An ageing analysis of trade and bills payables of the Group is as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year	3,520,596	3,556,093
1 year to 2 years	359,775	40,712
2 years to 3 years	16,108	9,093
Over 3 years but within 5 years	9,998	8,129
	3,906,477	3,614,027

The amounts due to related parties are all aged within one year, and are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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19 CONVERTIBLE BONDS

On 5 September 2018, Conch Venture BVI, a subsidiary of the Company, issued zero coupon guaranteed convertible bond (“**the Bonds**”) with aggregate principal amount of HKD3,925,000,000 (equivalent to approximately RMB3,413,730,000) and received cash after deduction of transaction costs of HKD3,882,043,000 (equivalent to approximately RMB3,376,369,000).

Pursuant to the terms of the Bonds, the Bonds will be due in September 2023 and are guaranteed by the Company. The bond holders could convert part of or the entire outstanding bond balances at the holder’s option into fully paid ordinary shares of the Company at an initial conversion price of HKD40.18 per share, subject to adjustments under certain terms and conditions of the Bonds.

The convertible bonds can be settled by exchange of a fixed amount of cash in HKD with a fixed number of the Company’s equity instruments. In accordance with the Group’s accounting policy, the convertible bonds are accounted for as compound financial instruments which contain both a liability component and an equity component.

The movements of the components of the convertible bonds during current period are set out below:

	Liability component (At amortised cost)	Equity component (Residual amount)	Total
	RMB’000	RMB’000	RMB’000
At 1 January 2022	3,483,286	54,466	3,537,752
Interest charge	123,259	–	123,259
Redemption of convertible bonds	(48,579)	(675)	(49,254)
Exchange adjustment	322,378	–	322,378
At 31 December 2022	3,880,344	53,791	3,934,135
Interest charge (note 7(a))	64,147	–	64,147
Redemption of convertible bonds	(54,118)	(767)	(54,885)
Exchange adjustment	121,945	–	121,945
At 30 June 2023	4,012,318	53,024	4,065,342

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

20 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

Dividend payable to equity shareholders attributable to the previous financial year, approved during the interim period:

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
Distribution in specie	(i)	–	14,495,378
Final dividend in respect of the previous financial year, approved during the interim period, of HKD0.40 per share (six months ended 30 June 2022: HKD0.70 per share)	(ii)	670,269	1,090,465

- (i) As mentioned in note 4, the entire equity interest in Conch Environment was spun-off via a distribution in specie completed on 30 March 2022. The transaction was recognized and measured in accordance with “*IFRIC 17 — Distribution of Non-cash Assets to Owners*”. The fair value of the net assets attributable to Conch Environment, subject to the distribution in specie, amounted to approximately RMB14,495,378,000. The transaction resulted in a non-cash gain of approximately RMB12,049,261,000 attributable to the shareholders of the Company.
- (ii) Pursuant to a resolution passed at the annual general meeting on 20 June 2023, a final dividend of HKD0.40 per share totaling HKD725,194,000 (equivalent to approximately RMB670,269,000) was approved (2022: HKD1,269,090,000 (equivalent to approximately RMB1,090,465,000)), which was paid in July 2023.

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

(b) Share capital

During the six months ended 30 June 2022, the Company repurchased an aggregate of 13,780,000 of its own shares through the Stock Exchange, at a total consideration of HKD276,985,000, equivalent to approximately RMB235,747,000. The aforesaid repurchased shares were cancelled as at 30 June 2022. No such repurchase incurred during the six months ended 30 June 2023.

(c) Share premium and distributability of reserves

Under the Companies Law of the Cayman Islands, the share premium account of the Company may be applied for payment of distributions or dividends to shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

	Fair value at 30 June 2023 RMB'000	Fair value measurements as at 30 June 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Financial assets: measured at FVPL				
— Investment in structured deposits	760,000	–	760,000	–
— Listed equity securities	32,837	32,837	–	
— Unlisted equity securities	82,500	–	–	82,500
measured at FVOCI				
— Equity instrument investment	10,320	–	–	10,320

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(a) Financial assets and liabilities measured at fair value *(Continued)*

(i) Fair value hierarchy *(Continued)*

	Fair value at	Fair value measurements as at		
	31 December 2022	31 December 2022 categorised into		
	RMB'000	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
Recurring fair value measurement				
Financial assets				
measured at FVPL				
— Investment in structured deposits	320,000	—	320,000	—
— Listed equity securities	44,596	44,596	—	—
— Unlisted equity securities	82,500	—	—	82,500
measured at FVOCI				
— Equity instrument investment	10,320	—	—	10,320

During the six months ended 30 June 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: Nil).

Valuation techniques and inputs used in Level 2 fair value measurements

For the investment in structured deposits issued by banks that are measured at FVPL as at 30 June 2023, the fair value is determined using the forecast future cashflow discounted by risk-adjusted discount rate. The valuation requires the directors to make estimates about the expected future cash flows. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit and loss, are reasonable, and that they were the most appropriate values as at the reporting period end.

Information about Level 3 fair value measurements

The fair value of unlisted equity securities is determined based on medium market multiples (e.g. price-to-earnings ratio, price-to-sales ratio) of comparable companies or comparable transactions with a discount for lack of marketability as appropriate. Since the operating and financial status of the invested company has not undergone major changes, the fair value of unlisted equity securities is approximate to the cost of obtaining the equity securities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

21 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

(b) Fair values of financial assets and liabilities carried at other than fair value

All other financial assets and liabilities carried at cost or amortised cost are not materially different from their fair values as at 30 June 2023 and 31 December 2022.

22 ACQUISITIONS OF SUBSIDIARIES

In the six-months period ended 30 June 2023, the Group entered into separate sales and purchase agreements with the subsidiaries of Shandong National Industry Investment Co., Ltd (“**Guohuan Group**”) respectively for the acquisition of their direct or indirect equity interests in the following four entities:

- Guanxian Guohuan Solid Waste Treatment Co., Ltd. (“**Guanxian Solid Waste**”)
- Gaotangxian Guohuan Renewable Energy Co., Ltd. (“**Gaotang Guohuan**”)
- Liaocheng Kangda Waste Treatment Co., Ltd. (“**Liaocheng Kangda**”)
- Dongexian Huanke Renewable Energy Co., Ltd. (“**Donge Huanke**”)

All the acquired entities are engaged in waste incineration solutions. These acquisitions were made as part of the Group’s strategy to expand its waste-to-energy projects business of the Group. The purchase consideration for the acquisition was in the form of cash, with consideration for the acquisition of subsidiaries under Guohuan Group amounting to RMB479 million, subject to certain adjustments.

As at 30 June 2023, the provisional purchase price allocation for the business combination of the aforementioned four entities was performed. The table below sets forth the assets acquired and the liabilities assumed recognised at the acquisition date. The Group may adjust the fair value until the end of the measurement period if there is any additional information. The finalisation of the goodwill amount is dependent on the completion of the valuation of net assets acquired.

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(Expressed in Renminbi Yuan unless otherwise indicated)

22 ACQUISITIONS OF SUBSIDIARIES *(Continued)*

The aggregate provisional fair values of the identifiable assets acquired and liabilities assumed, goodwill and consideration of the four subsidiaries acquired are outlined below. The amounts disclosed are provisional and the purchase price allocation will be finalised within the 12-month measurement period permitted by IFRS 3.

	RMB'000
Property, plant and equipment	914,719
Right-of-use assets	57,499
Other non-current assets	5,327
Inventories	4,127
Trade and other receivables	165,683
Cash and cash equivalents	5,849
Trade and other payables	(208,096)
Current tax liabilities	(1,761)
Deferred tax liabilities	(58,061)
Other non-current liabilities	(433,406)
Loans and borrowings	(8,000)
Identifiable net assets	443,880
Less: non-controlling interests, based on their proportionate interest in the identifiable net assets acquired	(11,984)
Total identifiable net assets acquired by the Group	431,896
— Goodwill on acquisition	47,434
— Gain on bargain purchase	(640)
Total cash consideration	478,690

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

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22 ACQUISITIONS OF SUBSIDIARIES *(Continued)*

The acquisition date of the four entities was determined at 28 February 2023.

Goodwill represents the excess of the considerations transferred over the fair value of Gaotang Guohuan, Liaocheng Kangda and Donge Huanke' identifiable net assets as at the acquisition date. The goodwill consists of future revenue opportunities in the local area and the assembled workforce.

Negative goodwill represents the excess of the fair value of the Guanxian Solid Waste's identifiable net assets as at the acquisition date over the consideration transferred, which has been recognised immediately in profit or loss.

Analysis of net cash outflow of cash and cash equivalents in respect of the acquisition of four subsidiaries as at acquisition date:

	RMB'000
Total cash consideration	478,690
Less: Consideration payables to be paid within one year	(58,303)
Cash acquired as at the date of acquisition	(5,849)
Net outflow of cash included in cash flows from investing activities	414,538

Revenue and net profit that the above acquisitions contributed to continuing operations of the Group from the acquisition date to 30 June 2023 were RMB56,136,000 and RMB6,935,000 respectively.

Had the above acquisitions occurred on 1 January 2023, management estimates that the Group's consolidated revenue and consolidated profit from continuing operations for the six months ended 30 June 2023 would have been RMB4,464,751,000 and RMB1,955,783,000 respectively.

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23 COMMITMENTS

At 30 June 2023, the Group had capital commitments not provided for in the interim financial report were as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Contracted for	4,247,911	5,856,926
Authorised but not contracted for	1,274,838	2,484,854
	5,522,749	8,341,780

24 MATERIAL RELATED PARTY TRANSACTIONS

During the period, transactions with the following parties are considered as related party transactions.

Name of party (i)	Relationship
Kawasaki Heavy Industry Ltd. (" Kawasaki HI ") 川崎重工業株式會社	Investor of Anhui Conch Kawasaki Engineering Co., Ltd. and CK Equipment
Conch Holdings and its subsidiaries 安徽海螺集團有限責任公司及其附屬公司	Associate of the Group
Anhui Conch Cement Co., Ltd. (" Conch Cement ") 安徽海螺水泥股份有限公司	Associate of Conch Holdings
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. (" CKEM ") 安徽海螺川崎裝備製造有限公司	Joint venture of Conch Cement and Kawasaki HI

(i) The English translation of the names is for reference only. The official names of these entities are in Chinese.

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24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(a) Significant related party transactions

Particulars of significant transactions between the Group and the above related parties during the period are as follows:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Sales of goods		
Conch Cement	231,884	356,118
Kawasaki HI	96	424
CKEM	580	507
Conch Holdings	460,702	14,711
	693,262	371,760

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Service rendered		
Conch Cement	72,298	108,359
	72,298	108,359

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Purchase of goods		
Conch Cement	11,206	12,514
CKEM	8,039	5,541
Conch Holdings	10,601	11,513
Kawasaki HI	2,212	–
	32,058	29,568

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24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(a) Significant related party transactions *(Continued)*

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Services received		
Conch Cement	16,485	6,645
Conch Holdings	7,468	12,570
Kawasaki HI	287	247
	24,240	19,462

(b) Balances with related parties

Balances with related parties at the end of each reporting period are as follows:

	At	At
	30 June	31 December
	2023	2022
	RMB'000	RMB'000
Amounts due from		
Conch Cement	346,169	278,238
Conch Holdings	10,596	813
CKEM	–	10,180
Kawasaki HI	–	1,928
	356,765	291,159

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(Expressed in Renminbi Yuan unless otherwise indicated)

24 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties *(Continued)*

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Amounts due to		
Conch Cement	110,567	102,938
Kawasaki HI	4,541	3,457
CKEM	14,417	6,888
Conch Holdings	10,459	170,832
	139,984	284,115