

CONCH VENTURE

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

CHINA CONCH VENTURE HOLDINGS LIMITED

2024 中期報告  
INTERIM REPORT

This Interim Report, in both Chinese and English versions, is available on the Company's website at [www.conchventure.com](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 C1 to the Listing Rules
China/PRC:	the People's Republic of China
Company/Conch Venture:	中國海螺創業控股有限公司 (China Conch Venture Holdings Limited)
Conch Cement:	安徽海螺水泥股份有限公司 (Anhui Conch Cement Company Limited*), 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)
Conch Holdings:	安徽海螺集團有限責任公司 (Anhui Conch Holdings Co., Ltd.*)
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)

## DEFINITIONS

Management:	the operating management of the Company
Model Code:	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
Remuneration and Nomination Committee:	the remuneration and nomination committee of the Board
Reporting Period:	from 1 January 2024 to 30 June 2024
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)
Shareholder(s):	the shareholder(s) of the Company
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

<b>(I)</b>	<b>REGISTERED CHINESE NAME OF THE COMPANY:</b>	中國海螺創業控股有限公司
	<b>CHINESE ABBREVIATION:</b>	海螺創業
	<b>REGISTERED ENGLISH NAME OF THE COMPANY:</b>	CHINA CONCH VENTURE HOLDINGS LIMITED
	<b>ENGLISH ABBREVIATION:</b>	CONCH VENTURE
<b>(II)</b>	<b>EXECUTIVE DIRECTORS:</b>	<p>Mr. Guo Jingbin (<i>Chairman</i>) (re-designated as an executive Director from a non-executive Director on 2 April 2024)</p> <p>Mr. Ji Qinying (<i>Vice-Chairman &amp; Chief Executive Officer</i>)</p> <p>Mr. Wang Xuesen (appointed on 2 April 2024)</p> <p>Mr. He Guangyuan (appointed on 2 April 2024)</p> <p>Mr. Wan Changbao (appointed on 2 April 2024)</p> <p>Mr. Li Jian (resigned on 11 March 2024)</p> <p>Mr. Shu Mao (resigned on 2 April 2024)</p> <p>Mr. Li Daming (resigned on 2 April 2024)</p>
<b>(III)</b>	<b>NON-EXECUTIVE DIRECTOR:</b>	Mr. Liu Yan
<b>(IV)</b>	<b>INDEPENDENT NON-EXECUTIVE DIRECTORS:</b>	<p>Mr. Chan Chi On (alias Derek Chan)</p> <p>Mr. Chan Kai Wing</p> <p>Mr. Peng Suping</p> <p>Ms. Cheng Yanlei (elected on 25 June 2024)</p>
<b>(V)</b>	<b>AUDIT COMMITTEE:</b>	<p>Mr. Chan Chi On (alias Derek Chan) (<i>Chairman</i>)</p> <p>Mr. Chan Kai Wing</p> <p>Mr. Peng Suping</p> <p>Ms. Cheng Yanlei (appointed on 25 June 2024)</p>
<b>(VI)</b>	<b>REMUNERATION AND NOMINATION COMMITTEE:</b>	<p>Mr. Chan Kai Wing (<i>Chairman</i>)</p> <p>Mr. Chan Chi On (alias Derek Chan)</p> <p>Mr. Peng Suping</p> <p>Mr. Liu Yan</p> <p>Ms. Cheng Yanlei (appointed on 25 June 2024)</p>
<b>(VII)</b>	<b>STRATEGY, SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE:</b>	<p>Mr. Guo Jingbin (<i>Chairman</i>)</p> <p>Mr. Ji Qinying</p> <p>Mr. Chan Chi On (alias Derek Chan)</p> <p>Mr. Liu Yan</p>

# 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:** 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  
*Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance*
- (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 2024)

#### 1. Operation results

Item	January– June 2024 Amount (RMB'000)	January– June 2023 Amount (RMB'000)	Changes between the Reporting Period and the corresponding period of the previous year (%)
Revenue	<b>3,134,976</b>	4,437,539	–29.35
Profit before taxation	<b>1,251,579</b>	2,065,336	–39.40
Share of profits of associates	<b>701,120</b>	1,269,264	–44.76
Net profit attributable to equity shareholders of the Company	<b>1,175,881</b>	1,817,965	–35.32
Net profit from principal businesses attributable to equity shareholders of the Company	<b>474,761</b>	548,701	–13.48

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 2024 Amount (RMB'000)	31 December 2023 Amount (RMB'000)	Changes between the end of the Reporting Period and the end of the previous year (%)
Total assets	<b>81,902,307</b>	80,460,379	1.79
Total liabilities	<b>33,397,214</b>	32,707,661	2.11
Equity attributable to equity shareholders of the Company	<b>47,097,624</b>	46,315,519	1.69



## 3. BUSINESS REVIEW AND OUTLOOK

### (I) MACRO ENVIRONMENT

In the first half of 2024, China's GDP grew by 5%, reflecting the steady growth and continuous improvement of China's economy. At the same time, China is accelerating the comprehensive green transformation for economic and social development and improving the ecological and environmental governance system, which will pose new opportunities and challenges to the development of the domestic environmental protection industry. As a large enterprise group providing energy-saving and environmental protection solutions, the Group has taken root in its environmental protection business, focused on industrial quality enhancement and upgrading, actively expanded industrial green boundary, and practised the concept of green and sustainable development with solid actions.

During the Reporting Period, the Group achieved operating revenue of RMB3.135 billion, representing a period-on-period decrease of 29.35%. The net profit of our principal activities attributable to equity shareholders of the Group (excluding share profits of associates) amounted to RMB0.475 billion, representing a period-on-period decrease of 13.48%.

### (II) BUSINESS REVIEW

In the first half of 2024, under the robust leadership of the Board, the Group upheld the general working principle of "focusing on principal activities and improving quality and efficiency", and adhered to the business strategy of enhancing the operating efficiency of its principal activities of environmental protection, supplemented by the synergistic development of multiple business segments. The municipal waste treatment segment launched a variety of business operations to increase operating efficiency through empowerment of management; the new energy materials business made great endeavor to coordinate integrated management to implement solid measures for cost reduction and efficiency enhancement through internal enhancement; the recycling and reusing business of lithium battery resources summed up its experience to optimise its technologies and techniques and make optimal deployment. The Company has made steady and stable progress in its overall business development, laying a foundation for the realisation of the full-year business objectives.

As at the end of the Reporting Period, the Group promoted and signed contracts for a total of 131 projects in 23 provinces, cities and autonomous regions in China, including 101 projects for grate furnace power generation, 2 projects for fly ash treatment, 2 projects for standalone kitchen waste treatment, 10 projects for waste treatment by cement kilns, 1 project for waste transfer, 2 projects for new energy, 10 projects for lithium battery recycling and other comprehensive utilisation, 2 projects for new building materials, and 1 project for port logistics.

## 3. BUSINESS REVIEW AND OUTLOOK

### Municipal Waste Treatment

#### 1. Grate Furnace Power Generation

During the Reporting Period, the Group endeavored to enhance the operational efficiency of its projects by implementing professional and refined management and encouraging project companies to expand sources of waste and enhance the electricity generation level of waste-to-energy projects and the on-grid electricity, so as to ensure high-quality operation. The Group also seeks to enhance its operating efficiency through the development of various business operations. During the Reporting Period, the Group had 15 projects involving the business of sales of steam; 29 projects involving the business of collaborative disposal of sludge, wine lees and so forth; and 16 projects involving the business of treatment of effluent such as external leachate. At the same time, the Group has been active in promoting price increase of waste disposal fees, and has completed the price adjustment in 3 projects, which has laid a foundation for the implementation of full scale promotion of price increase of waste disposal fees in the future.

During the Reporting Period, for the grate furnace power generation segment, the Group received a total of approximately 9.011 million tonnes of municipal waste, representing a period-on-period increase of 19%; approximately 7.786 million tonnes of municipal waste were treated, representing a period-on-period increase of 18%; on-grid electricity was approximately 2,530 million kWh, representing a period-on-period increase of 17%; the average on-grid electricity was approximately 326 kWh; and steam sales amounted to approximately 116,000 tonnes.

### 3. BUSINESS REVIEW AND OUTLOOK

As at the end of the Reporting Period, 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	Whether it is included in the national financial subsidy list
1	In operation	Jinzhai, Anhui Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2016	Phases I and II have been on list
2		Tongren, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	July 2017	On list
3		Yanshan, Yunnan Province (Phase I)	110,000 tonnes/year (300 tonnes/day)	August 2017	On list
4		Huoqiu, Anhui Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2018	Phases I and II have been on list
5		Li County, Hunan Province	2×140,000 tonnes/year (2×400 tonnes/day)	April 2018	On list
6		Songming, Yunnan Province	290,000 tonnes/year (800 tonnes/day)	January 2019	On list
7		Shanggao, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	February 2019	On list
8		Yiyang, Jiangxi Province	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019	On list
9		Shache, Xinjiang	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019	On list
10		Sishui, Shandong Province	140,000 tonnes/year (400 tonnes/day)	June 2019	On list
11		Bole, Xinjiang	110,000 tonnes/year (300 tonnes/day)	July 2019	On list
12		Yang County, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	October 2019	On list
13		Baoshan, Yunnan Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2020	On list
14		Fuquan, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2020	Application in progress
15		Lujiang, Anhui Province	2×180,000 tonnes/year (2×500 tonnes/day)	January 2020	Phase I has been on list
16		Xianyang, Shaanxi Province	2×270,000 tonnes/year (2×750 tonnes/day)	July 2020	On list
17		Xishui, Guizhou Province (Phase I)	140,000 tonnes/year (400 tonnes/day)	July 2020	On list
18		Shizhu, Chongqing City	110,000 tonnes/year (300 tonnes/day)	August 2020	On list
19		Huoshan, Anhui Province	140,000 tonnes/year (400 tonnes/day)	August 2020	On list
20		Tengchong, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	November 2020	On list

### 3. BUSINESS REVIEW AND OUTLOOK

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

### 3. BUSINESS REVIEW AND OUTLOOK

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

### 3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date	Whether it is included in the national financial subsidy list
57	In operation	Meitan, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	July 2023	/
58		Jinning, Yunnan Province	140,000 tonnes/year (400 tonnes/day)	July 2023	/
59		Danjiangkou, Hubei Province	110,000 tonnes/year (300 tonnes/day)	September 2023	/
60		Bac Ninh, Vietnam	110,000 tonnes/year (300 tonnes/day)	November 2023	/
61		Liangping, Chongqing City	140,000 tonnes/year (400 tonnes/day)	January 2024	/
62		Qingzhen, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	January 2024	/
63		Pingguo, Guangxi Region (Phase II)	140,000 tonnes/year (400 tonnes/day)	January 2024	/
64		Qiyang, Hunan Province	180,000 tonnes/year (500 tonnes/day)	January 2024	/
65		Dongzhi, Anhui Province	140,000 tonnes/year (400 tonnes/day)	February 2024	/
66		In operation (Project acquired)	Luanzhou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021
67	Guantao, Hebei Province		180,000 tonnes/year (500 tonnes/day)	January 2021	Application in progress
68	Guan County, Shandong Province		220,000 tonnes/year (600 tonnes/day)	March 2020	On list
69	Chiping, Shandong Province		220,000 tonnes/year (600 tonnes/day)	June 2018	On list
70	Jinxiang, Shandong Province		290,000 tonnes/year (800 tonnes/day)	October 2019	On list
71	Chenzhou, Hunan Province		450,000 tonnes/year (1,250 tonnes/day)	July 2015	Phases I and II have been on list
72	Baotou, Inner Mongolia		490,000 tonnes/year (1,350 tonnes/day)	December 2012	On list
73	Hohhot, Inner Mongolia		630,000 tonnes/year (1,750 tonnes/day)	November 2017	On list
74	Jilin, Jilin Province		540,000 tonnes/year (1,500 tonnes/day)	January 2009	On list
75	Bijie, Guizhou Province		290,000 tonnes/year (800 tonnes/day)	April 2021	Application in progress
76	Jingdezhen, Jiangxi Province		540,000 tonnes/year (1,500 tonnes/day)	November 2016	On list
77	Liaocheng, Shandong Province		360,000 tonnes/year (1,000 tonnes/day)	December 2012	On list
78	Gaotang, Shandong Province		220,000 tonnes/year (600 tonnes/day)	May 2020	On list
<b>Sub-total:</b>			<b>16,010,000 tonnes/year (44,550 tonnes/day)</b>		

### 3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
79	Under construction	Tai'an, Liaoning Province	110,000 tonnes/year (300 tonnes/day)	July 2024 In operation
80		Lufeng, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	July 2024 In operation
81		Haidong, Qinghai Province	180,000 tonnes/year (500 tonnes/day)	August 2024 In operation
82		Gengma, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	August 2024 In operation
83		Wushan, Chongqing City	130,000 tonnes/year (350 tonnes/day)	September 2024
84		Jianshui, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	September 2024
85		Yongde, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	September 2024
86		Huayin, Shaanxi Province	140,000 tonnes/year (400 tonnes/day)	October 2024
87		Zhuanglang, Gansu Province	140,000 tonnes/year (400 tonnes/day)	October 2024
88		Jingshan, Hubei Province	130,000 tonnes/year (350 tonnes/day)	March 2025
89		Yuanyang, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	May 2025
90		Nandan, Guangxi Region	110,000 tonnes/year (300 tonnes/day)	October 2025
<b>Sub-total:</b>			<b>1,630,000 tonnes/year (4,500 tonnes/day)</b>	
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		Hunyuan, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	/
93		Yun County, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	/
94		Daguan, Yunnan Province	140,000 tonnes/year (400 tonnes/day)	/
<b>Sub-total:</b>			<b>640,000 tonnes/year (1,800 tonnes/day)</b>	

### 3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
95	Reserve project	Yan Shan, Yunnan Province (Phase II)	110,000 tonnes/year (300 tonnes/day)	/
96		Zhenxiong, Yunnan Province (Phase II)	180,000 tonnes/year (500 tonnes/day)	/
97		Xishui, Guizhou Province (Phase II)	140,000 tonnes/year (400 tonnes/day)	/
98		Zongyang, Anhui Province (Phase II)	140,000 tonnes/year (400 tonnes/day)	/
99		Shahe, Hebei Province (Phase II)	2×180,000 tonnes/year (2×500 tonnes/day)	/
100		Taiyuan, Vietnam	180,000 tonnes/year (500 tonnes/day)	/
101		Xuan Son, Vietnam	2×180,000 tonnes/year (2×500 tonnes/day)	/
<b>Sub-total:</b>			<b>1,470,000 tonnes/year (4,100 tonnes/day)</b>	
<b>Total:</b>			<b>19,750,000 tonnes/year (54,950 tonnes/day)</b>	

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 32 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

As at the end of the Reporting Period, the Group had 18 kitchen waste treatment projects in operation, of which the projects in Wuhu, Anhui Province and Lingbi, Anhui Province are run by independently operated project companies, with a treatment capacity of approximately 434,000 tonnes/year (approximately 1,140 tonnes/day). During the Reporting Period, the Group received and disposed of 90,000 tonnes of kitchen waste and sold approximately 1,475 tonnes of grease.

As at the end of the Reporting Period, 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	Suzhou, Anhui Province	70,000 tonnes/year (200 tonnes/day)
2		Wuhu, Anhui Province	70,000 tonnes/year (200 tonnes/day)
3		Lingbi, Anhui Province	40,000 tonnes/year (100 tonnes/day)
4		Liangping, Chongqing City	40,000 tonnes/year (100 tonnes/day)
5		Pingliang, Gansu Province	20,000 tonnes/year (50 tonnes/day)
6		Songming, Yunnan Province	20,000 tonnes/year (50 tonnes/day)
7		Qiyang, Hunan Province	20,000 tonnes/year (50 tonnes/day)
8		Pingguo, Guangxi Region	20,000 tonnes/year (50 tonnes/day)
9		Hejin, Shanxi Province	20,000 tonnes/year (45 tonnes/day)
10		Jinzhai, Anhui Province	20,000 tonnes/year (45 tonnes/day)
11		Shanggao, Jiangxi Province	20,000 tonnes/year (45 tonnes/day)
12		Shucheng, Anhui Province	20,000 tonnes/year (45 tonnes/day)
13		Longkou, Shandong Province	10,000 tonnes/year (30 tonnes/day)
14		Fugou, Henan Province	10,000 tonnes/year (30 tonnes/day)
15		Dexing, Jiangxi Province	10,000 tonnes/year (30 tonnes/day)
16		Jinning, Yunnan Province	10,000 tonnes/year (30 tonnes/day)
17		Fengning, Hebei Province	7,000 tonnes/year (20 tonnes/day)
18		Weichang, Hebei Province	7,000 tonnes/year (20 tonnes/day)
<b>Total:</b>			<b>434,000 tonnes/year (1,140 tonnes/day)</b>

### 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 (approximately 2,200 tonnes/day). A total of approximately 145,000 tonnes of municipal waste were received, and a total of approximately 123,000 tonnes of municipal waste were treated.

As at the end of the Reporting Period, details of the Group's waste treatment by cement kilns projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity
1	In operation	Qingzhen, Guizhou Province	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)
<b>Total</b>			<b>740,000 tonnes/year (2,200 tonnes/day)</b>

As at the end of the Reporting Period, the Group had a municipal waste treatment capacity of approximately 20.924 million tonnes/year (approximately 58,290 tonnes/day), including approximately 17.184 million tonnes/year (approximately 47,890 tonnes/day) completed and approximately 3.74 million tonnes/year (approximately 10,400 tonnes/day) under construction, under approval and planning and reserve.

### 3. BUSINESS REVIEW AND OUTLOOK

#### New Energy Business

During the Reporting Period, the Group continued to monitor the market price of new energy raw materials, focused on strengthening the project cost control of lithium iron phosphate cathode materials, optimised operational indicators, improved product quality and comparative advantages, and accelerated certification of customer products. Meanwhile, the Group steadily promoted the construction of anode materials projects and simultaneously focused on market construction. The Group continuously optimised its technologies and techniques of the lithium battery recycling comprehensive utilisation projects, made optimal deployment and signed one project in Changshan, Zhejiang Province during the Reporting Period, with a total contracted treatment capacity of approximately 230,000 tonnes/year.

As at the end of the Reporting Period, details of the Group's lithium battery recycling 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	October 2024
<b>Sub-total:</b>			<b>15,000 tonnes/year</b>	
2	Under approval and planning	Huaipei, 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 (Phase I)	15,000 tonnes/year	/
6		Jingmen, Hubei Province (Phase I)	15,000 tonnes/year	/
<b>Sub-total:</b>			<b>90,000 tonnes/year</b>	
7	Reserve project	Zaozhuang, Shandong Province	30,000 tonnes/year	/
8		Zhuzhou, Hunan Province	15,000 tonnes/year	/
9		Tongchuan, Shaanxi Province (Phase II)	15,000 tonnes/year	/
10		Jingmen, Hubei Province (Phase II)	35,000 tonnes/year	/
11		Changshan, Zhejiang Province	30,000 tonnes/year	/
<b>Sub-total:</b>			<b>125,000 tonnes/year</b>	
<b>Total:</b>			<b>230,000 tonnes/year</b>	

### 3. BUSINESS REVIEW AND OUTLOOK

During the Reporting Period, the Group sold approximately 11,400 tonnes of cathode materials and approximately 144,000 waste packaging containers under its new energy business, and recorded a revenue of RMB106.4 million.

#### **New Building Materials and Port Logistics**

The Group's new building materials business has always been guided by market demand. The Group actively optimised process transformation, promoted the achievements of technical transformation, and elevated product quality. Meanwhile, the Group strengthened cost control, leveraged product competitive advantages, and strived to increase market share.

During the Reporting Period, the Group recorded new building materials product sales of approximately 3.36 million square metres, with an operating revenue of RMB46.5 million.

The Group actively expanded customer resources and optimised customer structure to ensure core freight sources in its port logistics business. It undertook the construction of ecological terminals through wind power generation to reduce costs and increase efficiency, and strengthened scheduling and coordination to improve operational efficiency.

During the Reporting Period, the port logistics business achieved a throughput of approximately 14.49 million tonnes, with an operating revenue of RMB88.6 million.

#### **(III) FUTURE PLAN AND OUTLOOK**

In the second half of 2024, under the leadership of the Board, the Group will continue to uphold the general principle of making progress while ensuring stability, and adhere to the management idea of "focusing on the principal business and improving quality and efficiency". The Group will strengthen its confidence, deeply develop its potential, and focus on enhancing the core competitiveness of the enterprise. By promoting the integration and healthy development of multiple industrial sectors, the Group will also strive to complete the annual tasks and targets, protect the core interests of the Shareholders and forge ahead courageously in the ever-changing new situation.

#### **Waste-to-Energy Business as the Principal Business: Empowerment through Management to Enhance Quality and Efficiency**

The Group will focus on the core management advantages of the waste-to-energy business, its principal business. By concentrating on tapping potential and enhancing quality and efficiency, the Group will explore multiple business areas such as steam sales, cross-boundary electricity trading, collaborative disposal and green electricity certificate trading, focus on accelerating receivables management, increasing waste disposal fee and improving cash flow, and carry out in-depth study of policies and actively strive to secure small-scaled demonstration projects, to improve the operating quality of the principal business in all respects.

### 3. BUSINESS REVIEW AND OUTLOOK

#### **New Energy Business: Diligently Practicing Skills and Forging Ahead with Determination**

In respect of positive electrode materials, the Group will concentrate its efforts in personnel structure, production cost, product performance and other aspects to improve its competitiveness in response to the involution in the industry. For negative electrode materials, the Group will focus on project construction and pre-commissioning, and expand quality customers in the industry, to work well for market layout in advance. In terms of the lithium battery recycling and comprehensive utilisation business, the Group will optimise its process technology by continuously summarising the trial operation experience to establish its technical superiority. Besides, the Group will be poised for development by gradually establishing a clear business model, and reasonably managing its strategic layout and the construction progress of projects.

#### **Port Building Materials Business: Seeking Progress while Maintaining Stability under the Guidance of Industry Market-Oriented Philosophy**

For the port logistics business, the Group will endeavour to boost its market share and ensure the steady and healthy development of business by integrating existing quality resources, expanding quality customers, and seeking to increase business volume and price.

For the new building materials business, the Group will adhere to market orientation and summarise the achievements of technological reformation to realise cost reduction and efficiency enhancement, thereby making new contributions to the industry.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### (I) FINANCIAL PROFITABILITY

Item	January– June 2024 Amount (RMB'000)	January– June 2023 Amount (RMB'000)	Changes between the Reporting Period and the corresponding period of the previous year (%)
<b>Revenue</b>	<b>3,134,976</b>	4,437,539	–29.35
<b>Profit before taxation</b>	<b>1,251,579</b>	2,065,336	–39.40
Share of profits of associates	<b>701,120</b>	1,269,264	–44.76
<b>Net profit attributable to equity shareholders of the Company</b>	<b>1,175,881</b>	1,817,965	–35.32
Net profit from principal businesses attributable to equity shareholders of the Company	<b>474,761</b>	548,701	–13.48

During the Reporting Period, the Group achieved revenue of RMB3,134.98 million, representing a period-on-period decrease of 29.35%, mainly due to the decrease in projects under construction by the Group. Profit before taxation amounted to RMB1,251.58 million, representing a period-on-period decrease of 39.40%, mainly due to the decrease in share of profits of associates such as Conch Holdings. Share of profits of associates amounted to RMB701.12 million, representing a period-on-period decrease of 44.76%. Net profit attributable to equity shareholders of the Company amounted to RMB1,175.88 million, representing a period-on-period decrease of 35.32%, among which, net profit from principal businesses attributable to equity shareholders amounted to RMB474.76 million, representing a period-on-period decrease of 13.48%. Basic earnings per share amounted to RMB0.67.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Revenue by business stream

Item	January–June 2024		January–June 2023		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Waste incineration solutions	2,560,851	81.69	3,397,526	76.56	-24.63	5.13
Energy-saving equipment	332,561	10.61	848,406	19.12	-60.80	-8.51
New building materials	46,540	1.48	52,854	1.19	-11.95	0.29
New energy business	106,400	3.39	29,631	0.67	259.08	2.72
Port logistics	88,624	2.83	109,122	2.46	-18.78	0.37
<b>Total</b>	<b>3,134,976</b>	<b>100.00</b>	<b>4,437,539</b>	<b>100.00</b>	<b>-29.35</b>	<b>-</b>

During the Reporting Period, as affected by the decrease in the Group's waste incineration projects under construction and overseas orders of energy-saving equipment, revenue of the Group decreased. With a breakdown by business:

- (i) The revenue from waste incineration solutions amounted to RMB2,560.85 million, representing a period-on-period decrease of 24.63%, which was mainly due to the reduction in projects under construction by the Group, resulting in a period-on-period decrease in revenue during the construction period.
- (ii) The revenue from energy-saving equipment amounted to RMB332.56 million, representing a period-on-period decrease of 60.80%, which was mainly due to the decrease in overseas orders of energy-saving equipment.
- (iii) The revenue from new building materials amounted to RMB46.54 million, representing a period-on-period decrease of 11.95%, which was mainly due to the decrease in both sales volume and prices as a result of market influence.
- (iv) The revenue from new energy business amounted to RMB106.40 million, representing a relatively significant period-on-period increase, which was mainly due to the Group's active exploration of the market, leading to a rapid revenue growth.
- (v) The revenue from port logistics amounted to RMB88.62 million, representing a year-on-year decrease of 18.78%, mainly due to the decrease in both sales volume and prices as a result of intensified market competition, which led to the decrease in revenue.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### Breakdown of revenue from waste incineration solutions

Revenue Breakdown	January–June 2024		January–June 2023		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
<b>Construction revenue</b>	<b>602,635</b>	<b>23.53</b>	1,700,135	50.04	-64.55	-26.51
Grate furnace power generation	602,635	23.53	1,700,135	50.04	-64.55	-26.51
<b>Operation revenue</b>	<b>1,958,216</b>	<b>76.47</b>	1,697,391	49.96	15.37	26.51
Grate furnace power generation	1,936,910	75.64	1,667,345	49.08	16.17	26.56
Waste treatment by cement kilns	21,306	0.83	30,046	0.88	-29.09	-0.05
<b>Total</b>	<b>2,560,851</b>	<b>100.00</b>	3,397,526	100.00	-24.63	-

During the Reporting Period, the revenue from waste incineration solutions segment during the construction period amounted to RMB602.64 million, representing a period-on-period decrease of 64.55%, which was mainly due to the decrease in the number of projects under construction. The operation revenue from waste incineration solutions segment amounted to RMB1,958.22 million, representing a period-on-period increase of 15.37%, which was mainly due to the commencement of operation of 5 new projects in Guiyang, Guizhou Province, Liangping, Chongqing City, Qiyang, Hunan Province, Dongzhi, Anhui Province and other locations during the Reporting Period, leading to the growth in revenue.



## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Revenue by geographical locations

Item	January–June 2024		January–June 2023		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Mainland China	<b>2,981,304</b>	<b>95.10</b>	3,894,623	87.77	-23.45	7.33
Asia (except Mainland China)	<b>153,672</b>	<b>4.90</b>	542,916	12.23	-71.70	-7.33
<b>Total</b>	<b>3,134,976</b>	<b>100.00</b>	4,437,539	100.00	-29.35	-

During the Reporting Period, the Group's revenue derived from Mainland China market recorded a period-on-period decrease of 23.45%. The revenue derived from Asia (except Mainland China) market amounted to RMB153.67 million, representing a period-on-period decrease of 71.70%, which was mainly due to the decrease in the number of the Group's overseas orders for energy-saving equipment.

### 3. Gross profit and gross profit margin

Item	January–June 2024		January–June 2023		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	<b>983,192</b>	<b>38.39</b>	970,900	28.58	1.27	9.81
Energy-saving equipment	<b>99,887</b>	<b>30.04</b>	135,391	15.96	-26.22	14.08
New building materials	<b>3,021</b>	<b>6.49</b>	1,373	2.60	120.03	3.89
New energy business	<b>11,219</b>	<b>10.54</b>	5,698	19.23	96.89	-8.69
Port logistics	<b>53,566</b>	<b>60.44</b>	67,437	61.80	-20.57	-1.36
<b>Total</b>	<b>1,150,885</b>	<b>36.71</b>	1,180,799	26.61	-2.53	10.10

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, the gross profit margin of the Group was 36.71%, representing a period-on-period increase of 10.10 percentage points. With a breakdown by business:

- (i) The gross profit margin for waste incineration solutions was 38.39%, representing a period-on-period increase of 9.81 percentage points. This was mainly due to the increase in the number of the Group's waste-to-energy projects in operation which led to the increase in the proportion of gross profit in the operating period, resulting in an increase in the overall gross profit margin.
- (ii) The gross profit margin for energy-saving equipment was 30.04%, representing a year on-year increase of 14.08 percentage points, which was mainly due to the Group's efforts to explore the market and secure high-quality orders of energy-saving equipment, which led to an increase in the gross profit margin.
- (iii) The gross profit margin for new building materials was 6.49%, representing a year on-year increase of 3.89 percentage points, mainly due to a period-on-period decrease in production costs as a result of the Group's active implementation of technical transformation measures.
- (iv) The gross profit margin for new energy business was 10.54%, representing a period-on-period decrease of 8.69 percentage points, mainly due to the decline in product prices due to the impact of the market, resulting in a decrease in the gross profit margin.
- (v) The gross profit margin for port logistics was 60.44%, representing a period-on-period decrease of 1.36 percentage points, mainly due to the decline in unit price as a result of the impact of market competition, leading to lower gross profit margin.

### 4. Other net income

During the Reporting Period, the Group's other net income amounted to RMB67.61 million, representing a period-on-period decrease of RMB186.99 million, or 73.45%, which was mainly because of the period-on-period decrease in the government grants received by the Group and the deposit interest.

### 5. Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB307.46 million, representing a period-on-period increase of RMB66 million, or 27.34%, which was mainly due to the increase in employee compensation and depreciation and amortisation resulting from the increase in operating companies.

### 6. Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB353.79 million, representing a period-on-period decrease of RMB2.93 million, or 0.82%, which was mainly due to the decrease in finance costs as a result of the maturity and repayment of the Group's convertible bonds and the decrease in the interest rate of bank loans.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### (II) FINANCIAL POSITION

As at 30 June 2024, the Group's total assets amounted to RMB81,902.31 million, representing an increase of RMB1,441.93 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB47,097.62 million, representing an increase of RMB782.11 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 40.78%, representing an increase of 0.13 percentage point as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As at 30 June 2024 (RMB'000)	As at 31 December 2023 (RMB'000)	Change between the end of the Reporting Period and the end of the previous year (%)
Property, plant and equipment	<b>7,568,595</b>	6,932,522	9.18
Non-current assets	<b>73,668,163</b>	72,338,065	1.84
Non-current liabilities	<b>26,806,222</b>	26,259,976	2.08
Current assets	<b>8,234,144</b>	8,122,314	1.38
Current liabilities	<b>6,590,992</b>	6,447,685	2.22
Net current assets	<b>1,643,152</b>	1,674,629	-1.88
Equity attributable to equity shareholders of the Company	<b>47,097,624</b>	46,315,519	1.69
<b>Total assets</b>	<b>81,902,307</b>	80,460,379	1.79
<b>Total liabilities</b>	<b>33,397,214</b>	32,707,661	2.11

#### 1. Non-current assets and non-current liabilities

As at 30 June 2024, non-current assets of the Group amounted to RMB73,668.16 million, representing an increase of 1.84% 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 RMB26,806.22 million, representing an increase of 2.08% as compared to the end of the previous year, which was mainly due to the increase in bank loans of the Group during the Reporting Period.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### 2. Current assets and current liabilities

As at 30 June 2024, current assets of the Group amounted to RMB8,234.14 million, current liabilities amounted to RMB6,590.99 million, and net current assets amounted to RMB1,643.15 million, representing a decrease of RMB314.77 million as compared to the end of the previous year, which was mainly due to the increase in current liabilities resulting from the increase in the Group's dividends payable to equity shareholders of the Company and the bank loans that are due within one year during the Reporting Period.

### 3. Equity attributable to equity shareholders of the Company

As at 30 June 2024, the equity attributable to equity shareholders of the Company amounted to RMB47,097.62 million, representing an increase of 1.69% as compared to the end of the previous year, which was mainly due to the continued profitability of the Group.

## (III) LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, by taking the advantage of its capital size to the utmost, the Group enhanced capital planning and management, optimised the financing structure, reduced the loan interest rate, and rationally arranged loans for projects, so as to satisfy the Company's capital needs. As at 30 June 2024, the Group's cash and cash equivalents amounted to RMB3,163.42 million, which were mainly denominated in RMB, Hong Kong dollars and US dollars.

### Bank loans

Item	As at 30 June 2024 (RMB'000)	As at 31 December 2023 (RMB'000)
Due within one year	<b>1,798,709</b>	1,267,507
Due after one year but within two years	<b>1,933,575</b>	3,187,224
Due after two years but within five years	<b>6,797,328</b>	5,864,041
Due after five years	<b>14,895,709</b>	14,002,426
<b>Total</b>	<b>25,425,321</b>	24,321,198

As at 30 June 2024, the balance of bank loans of the Group amounted to RMB25,425.32 million, representing an increase of RMB1,104.12 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 2024, 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	<b>January– June 2024</b> (RMB'000)	January– June 2023 (RMB'000)
Net cash generated from operating activities	<b>938,672</b>	935,991
Net cash used in investing activities	<b>-1,306,090</b>	-2,519,033
Net cash generated from financing activities	<b>435,860</b>	5,625,961
Net increase in cash and cash equivalents	<b>68,442</b>	4,042,919
Effect of foreign exchange rate changes	<b>452</b>	3,021
Cash and cash equivalents at the beginning of the period	<b>3,094,524</b>	4,361,637
Cash and cash equivalents at the end of the period	<b>3,163,418</b>	8,407,577

#### Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB938.67 million, representing a slightly increase as compared with the corresponding period of last year.

#### Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB1,306.09 million, representing a period-on-period decrease of RMB1,212.94 million, which was mainly due to the decrease in capital expenditure as a result of the Group's control on investments 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 RMB435.86 million, representing a period-on-period decrease of RMB5,190.10 million, which was mainly due to the combined effect of the decrease in net proceeds from the Group's bank loans and proceeds of RMB2.7 billion raised from the issuance of medium-term notes during the same period.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### (IV) COMMITMENTS

As at 30 June 2024, the Group's commitments for purchases in connection with construction contracts were as follows:

Item	As at 30 June 2024 (RMB'000)	As at 31 December 2023 (RMB'000)
Contracted for	1,247,052	3,154,819
Authorized but not contracted for	357,742	901,347
<b>Total</b>	<b>1,604,794</b>	4,056,166

### (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 2024, the Group did not have any material contingent liabilities.

### (VII) PLEDGE OF ASSETS

As at 30 June 2024, right-of-use assets with carrying amount of RMB620.67 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 2024.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

### (VIII) MATERIAL INVESTMENT, ACQUISITION OR DISPOSAL

During the Reporting Period, the Group had no material investment, acquisition or disposal, and had no definite plan for any material investment or acquisition of capital assets.

### (IX) HUMAN RESOURCES

The Group attached great importance to the construction and development of human resources, explored and continuously optimised its corporate management system, strived to create an atmosphere of talent development concept of “respecting labour, knowledge, talents and creation”, was dedicated to providing employees with competitive remuneration packages, safe and comfortable working environment and comprehensive welfare, and proactively built a multi-level, systematic and professional training system, conducted various professional business training from time to time, encouraged employees to participate in training and exchange activities conducted by social and industrial organisations to enhance the comprehensive quality and professional skills of employees and stimulate their motivation and creativity for work. At the same time, the Group has also actively built a fair and balanced platform full of opportunities for the strategic development of diversified talents, continuously enriched and improved its talent pool through various channels, including internal training, university-enterprise cooperation and recruitment from the society, made nature nurture and promotion channel in place and optimised the structure of human resource, so as to propel the high-quality development of the Group through high level of human resource management.

As at 30 June 2024, the Group had 6,386 employees (30 June 2023: 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 RMB367.3 million (for the corresponding period in 2023: RMB288.14 million).

## 5. OTHER INFORMATION

### (I) INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

### (II) DISCLOSURE OF INTERESTS

#### 1. Substantial Shareholders' Interests or Short Positions

As at 30 June 2024, 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 (%) (Note 1)
SA Conch	Interest of controlled corporation	215,829,500 (L) (Note 2)	12.04
Anhui CV Group	Beneficial owner	13,863,000 (L)	0.77
	Interest of controlled corporation	201,966,500 (L) (Note 3)	11.27
	<b>Subtotal</b>	<b>215,829,500 (L)</b>	<b>12.04</b>
Conch Venture	Interest of controlled corporation	181,306,000 (L) (Note 4)	10.12
Conch Venture Wuhu	Interest of controlled corporation	181,306,000 (L) (Note 4)	10.12
Conch Holdings	Beneficial owner	91,795,500 (L)	5.12
	Interest of controlled corporation	89,510,500 (L) (Note 5)	5.00
	<b>Subtotal</b>	<b>181,306,000 (L)</b>	<b>10.12</b>



## 5. OTHER INFORMATION

### Notes:

1. The approximate percentage of shareholdings is calculated based on the total of 1,792,041,059 issued shares of the Company as at 30 June 2024.
2. Among these shares, 13,863,000 shares are directly owned by Anhui CV Group, and the remaining 182,318,500, 9,469,500 and 10,178,500 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 directly or indirectly wholly-owned by Anhui CV Group. Anhui CV Group is deemed to be interested in the shares in which CV Holdings (Zhuhai), CV Medical, 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.
3. Among these shares, 182,318,500, 9,469,500 and 10,178,500 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, CVI are interested by virtue of the SFO.
4. Among these shares, 91,795,500 Shares are directly owned by Conch Holdings, and the remaining 79,219,500 and 10,291,000 Shares are directly owned respectively by: (i) Conch Cement, and (ii) Conch International Holdings (HK) Limited (“**Conch International**”). Conch Venture indirectly owns the entire registered capital of Conch Venture Wuhu via several wholly-owned subsidiaries, while Conch Venture Wuhu owns 49% of the registered capital of Conch Holdings; Conch Holdings owns approximately 36.4% of Conch Cement’s issued shares, while Conch International is the wholly-owned subsidiary of Conch Cement. Pursuant to 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; Conch Venture is deemed to be interested in the shares in which the aforesaid companies are interested.
5. Among these shares, 79,219,500 and 10,291,000 Shares are owned respectively by Conch Cement and Conch International. Conch Holdings is deemed to be interested in shares in which Conch Cement and Conch International are interested by virtue of the SFO.
6. The letter “L” refers to long-position in the shares.

Save as disclosed above, as at 30 June 2024, 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 under section 336 of the SFO.

## 5. OTHER INFORMATION

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

As at 30 June 2024, 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	Approximate percentage of shareholding (%) (Note 1)
Mr. Ji Qinying	Interest of spouse (Note 2)	35,033,752 (L)	1.95
Mr. Wang Xuesen	Beneficial owner	2,197,918 (L)	0.12
Mr. Wan Changbao	Beneficial owner	180,000 (L)	0.01

Notes:

1. The approximate percentage of shareholding is calculated based on the total of 1,792,041,059 issued shares of the Company as at 30 June 2024.
2. These shares are owned personally by Ms. Yan Zi. Therefore, Mr. Ji Qinying is deemed to have an interest in the shares owned by his spouse, Ms. Yan Zi, according to the Securities and Futures Ordinance.
3. The letter "L" refers to long-position in the shares.

## 5. OTHER INFORMATION

### 3. Interests and Short Positions of Senior Management

As at 30 June 2024, interests of the senior management of the Company were as follows:

#### The Company

Name of senior management	Nature of interests	Number of shares	Approximate percentage of shareholding (%) (Note 1)
Mr. Shu Mao	Beneficial owner	143,000 (L)	0.01
Mr. Wang Junxian	Beneficial owner	201,000 (L)	0.01
Mr. Chen Xingqiang	Beneficial owner	4,000 (L)	0.00
Mr. Zhang Bangzhi	Beneficial owner	120,000 (L)	0.01
Mr. Chen Yuanzhi	Beneficial owner	291,510 (L)	0.02

Notes:

1. The approximate percentage of shareholding is calculated based on the total of 1,792,041,059 issued shares of the Company as at 30 June 2024.
2. The letter "L" refers to long-position in the shares.

Save as disclosed above, as at 30 June 2024, 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.

## 5. OTHER INFORMATION

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

During the Reporting Period, the Company repurchased a total of 17,904,500 shares of the Company at an aggregate consideration of HK\$97,025,815 (excluding expenses) which was funded by internal resources of the Group on the Stock Exchange.

Particulars of the shares repurchased during the Reporting Period are as follows:

Month in which shares were repurchased during the Reporting Period	Date of cancellation	Number of shares repurchased (shares)	Highest price paid per share (HK\$)	Lowest price paid per share (HK\$)	Total consideration paid (HK\$)
March	4 June 2024	8,054,000	5.85	5.30	44,348,625
April	4 June 2024	9,850,500	5.63	5.20	52,677,190
<b>Total</b>		<b>17,904,500</b>			<b>97,025,815</b>

The Directors considered that the above share repurchases were made with a view to safeguarding the interests of the Shareholders.

In addition, a total of 3,039,500 shares of the Company repurchased by the Company on the Stock Exchange in October 2023 were cancelled on 4 June 2024.

Save as disclosed above, during the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)).

As at the date of this report, the Company does not hold any treasury shares (including any treasury shares held or deposited with CCASS (as defined in the Listing Rules)).

## 5. OTHER INFORMATION

### (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 2023 annual report of the Company are set out below:

1. Mr. Li Jian resigned as an executive Director and the deputy general manager of the Company with effect from 11 March 2024;
2. Mr. Guo Jingbin was re-designated as an executive Director from a non-executive Director on 2 April 2024;
3. Mr. Wang Xuesen was appointed as an executive Director and the executive deputy general manager of the Company on 2 April 2024;
4. Mr. He Guangyuan was appointed as an executive Director and the deputy general manager of the Company on 2 April 2024 and 1 July 2024, respectively;
5. Mr. Wan Changbao was appointed as the deputy general manager of the Company and an executive Director on 11 March 2024 and 2 April 2024, respectively;
6. Mr. Shu Mao resigned as an executive Director and the executive deputy general manager of the Company but was retained as the deputy general manager of the Company with effect from 2 April 2024;
7. Mr. Li Daming resigned as an executive Director and the deputy general manager of the Company with effect from 2 April 2024; and
8. Ms. Cheng Yanlei was elected as an independent non-executive Director on 25 June 2024 and was appointed as a member of each of the Remuneration and Nomination Committee and the Audit Committee on the same day.

Save as disclosed above, there was no other 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 a share option scheme (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.

The Share Option Scheme has expired on the 10th anniversary of its adoption date, i.e. 2 December 2023. Since the listing of the Company, no share option had been granted under the Share Option Scheme.

## 5. OTHER INFORMATION

### (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 set out in Appendix C1 to the Listing Rules 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.

### (VII) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the transactions of securities of the Company by the Directors and the relevant employees of the Company who likely possess the inside information of the Company (the "**Securities Dealing Code**") on terms no less exacting than the required standard set out in the Model Code contained in Appendix C3 to the Listing Rules. Having made specific enquiries by the Company, all the Directors confirmed that they have 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 Group 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.

## 5. OTHER INFORMATION

### (VIII) AUDIT COMMITTEE

The Audit Committee comprises Mr. Chan Chi On (alias Derek Chan), Mr. Chan Kai Wing, Mr. Peng Suping and Ms. Cheng Yanlei (appointed with effect from 25 June 2024), 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 2024. The Audit Committee has no disagreement with the accounting treatments adopted by the Company.

### (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, Mr. Peng Suping and Ms. Cheng Yanlei (appointed on 25 June 2024), independent non-executive Directors. Mr. Chan Kai Wing is the chairman of the Remuneration and Nomination Committee. The primary functions 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 Group; make recommendations to the Board on the remuneration package 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; review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually; make recommendations to the Board on any proposed changes to the Board to complement the Company’s corporate strategy; identify and select individuals suitably qualified as potential Board members or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of independent non-executive Directors; and make recommendations to the Board on the appointment or re-appointment of Directors and succession planning of Directors, in particular that of the chairman/chief executive officer/general manager. 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.

## 5. OTHER INFORMATION

### (X) STRATEGY, SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

The Strategy, Sustainability and Risk Management Committee comprises Mr. Guo Jingbin (re-designated as an executive Director with effect from 2 April 2024), an executive Director and the chairman of the Board, Mr. Ji Qinying, an executive Director and the chief executive officer of the Company and the 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) SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 22 August 2024 in relation to the notice of a Board meeting to be held on 4 September 2024 for the purpose of considering the declaration and payment of a special dividend to the Shareholders.

Save as disclosed above, there was no significant event requiring disclosure affecting the Group occurred during the period subsequent to the Reporting Period and up to the date of this interim report.

On behalf of the Board  
**China Conch Venture Holdings Limited**  
**Guo Jingbin**  
*Chairman*

Anhui Province, China, 27 August 2024

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



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Revenue</b>	4	<b>3,134,976</b>	4,437,539
Cost of sales		<b>(1,984,091)</b>	(3,256,740)
<b>Gross profit</b>		<b>1,150,885</b>	1,180,799
Other net income	5	<b>67,606</b>	254,595
Distribution costs		<b>(12,776)</b>	(10,841)
Administrative expenses		<b>(307,462)</b>	(241,458)
Reversal of/(provision for) impairment loss on trade receivables and contract assets		<b>5,991</b>	(30,309)
<b>Profit from operations</b>		<b>904,244</b>	1,152,786
Finance costs	6(a)	<b>(353,785)</b>	(356,714)
Share of profits of associates	10	<b>701,120</b>	1,269,264
<b>Profit before taxation</b>	6	<b>1,251,579</b>	2,065,336
Income tax	7	<b>(30,938)</b>	(109,037)
<b>Profit for the period</b>		<b>1,220,641</b>	1,956,299
<b>Attributable to:</b>			
— Equity shareholders of the Company		<b>1,175,881</b>	1,817,965
— Non-controlling interests		<b>44,760</b>	138,334
<b>Profit for the period</b>		<b>1,220,641</b>	1,956,299
<b>Earnings per share</b>	8		
— Basic and diluted(RMB)		<b>0.67</b>	1.00

The Notes on pages 46 to 70 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	Six months ended 30 June	
		2024 RMB'000	2023 RMB'000
<b>Profit for the period</b>		<b>1,220,641</b>	1,956,299
<b>Other comprehensive income for the period (after tax and reclassification adjustments)</b>			
Item that will not be reclassified to profit or loss:			
Share of other comprehensive income of associates, net of tax		<b>29,845</b>	(101,172)
Items that may be reclassified subsequently to profit or loss:			
Share of other comprehensive income of associates, net of tax		<b>(8,534)</b>	(15,198)
Exchange differences on translation of financial statements of overseas subsidiaries		<b>560</b>	(118,923)
<b>Other comprehensive income for the period</b>		<b>21,871</b>	(235,293)
<b>Total comprehensive income for the period</b>		<b>1,242,512</b>	1,721,006
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>1,197,752</b>	1,582,672
Non-controlling interests		<b>44,760</b>	138,334
<b>Total comprehensive income for the period</b>		<b>1,242,512</b>	1,721,006

The Notes on pages 46 to 70 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment	9	<b>7,568,595</b>	6,932,522
Right-of-use assets	9	<b>1,847,599</b>	1,852,748
Intangible assets	9	<b>20,171,145</b>	19,664,622
Goodwill		<b>187,104</b>	187,104
Interests in associates	10	<b>38,026,714</b>	37,687,806
Contract assets	13	<b>3,977,241</b>	4,155,728
Non-current portion of trade and other receivables	14	<b>1,682,467</b>	1,648,235
Financial assets measured at fair value through profit and loss ("FVPL")	11	<b>106,000</b>	106,000
Equity securities measured at fair value through other comprehensive income ("FVOCI")		<b>10,320</b>	10,320
Deferred tax assets		<b>90,978</b>	92,980
		<b>73,668,163</b>	72,338,065
<b>Current assets</b>			
Financial assets measured at fair value through profit and loss ("FVPL")	11	<b>113,610</b>	173,013
Inventories	12	<b>300,275</b>	323,807
Contract assets	13	<b>981,371</b>	836,489
Trade and other receivables	14	<b>3,313,487</b>	3,200,934
Restricted bank deposits		<b>71,983</b>	113,547
Bank deposits with original maturity over three months		<b>290,000</b>	380,000
Cash and cash equivalents	15	<b>3,163,418</b>	3,094,524
		<b>8,234,144</b>	8,122,314

The Notes on pages 46 to 70 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

at 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Note	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
<b>Current liabilities</b>			
Bank loans	16	1,798,709	1,267,507
Trade and other payables	17	4,249,507	4,957,416
Contract liabilities		77,395	71,340
Lease liabilities		10,561	11,732
Dividends payable to equity shareholders of the Company	18(a)	327,265	—
Income tax payables		127,555	139,690
		<b>6,590,992</b>	6,447,685
<b>Net current assets</b>		<b>1,643,152</b>	1,674,629
<b>Total assets less current liabilities</b>		<b>75,311,315</b>	74,012,694
<b>Non-current liabilities</b>			
Bank loans	16	23,626,612	23,053,691
Unsecured medium-term notes (“MTN”)		2,700,000	2,700,000
Lease liabilities		23,441	26,187
Deferred income		218,100	220,652
Deferred tax liabilities		238,069	259,446
		<b>26,806,222</b>	26,259,976
<b>Net assets</b>		<b>48,505,093</b>	47,752,718
<b>Capital and reserves</b>	18		
Share capital		14,222	14,412
Reserves		47,083,402	46,301,107
<b>Equity attributable to equity shareholders of the Company</b>		<b>47,097,624</b>	46,315,519
<b>Non-controlling interests</b>		<b>1,407,469</b>	1,437,199
<b>Total equity</b>		<b>48,505,093</b>	47,752,718

The Notes on pages 46 to 70 form part of this interim financial report.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company									Total equity RMB'000
	Share capital RMB'000 (Note 18(b))	Share premium RMB'000	Treasury shares RMB'000	Capital reserves RMB'000	PRC statutory reserves RMB'000	Exchange reserve RMB'000	Retained earnings RMB'000	Sub-total RMB'000	Non-controlling interests RMB'000	
<b>Balance at 1 January 2023</b>	14,412	16,164	-	1,687,304	984,358	(87,364)	42,247,139	44,862,013	2,310,391	47,172,404
<b>Changes in equity for the six months ended 30 June 2023:</b>										
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)
<b>Balance at 30 June 2023</b>	14,412	16,164	-	1,570,167	984,358	(206,287)	43,394,835	45,773,649	2,508,257	48,281,906
<b>Balance at 1 July 2023</b>	14,412	16,164	-	1,570,167	984,358	(206,287)	43,394,835	45,773,649	2,508,257	48,281,906
<b>Changes in equity for the six months ended 31 December 2023:</b>										
Profit for the period	-	-	-	-	-	-	645,741	645,741	80,677	726,418
Other comprehensive income	-	-	-	(40,625)	-	(38,130)	-	(78,755)	-	(78,755)
Total comprehensive income	-	-	-	(40,625)	-	(38,130)	645,741	566,986	80,677	647,663
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	850	850
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	18,468	18,468
Acquisition of non-controlling interests	-	-	-	(7,891)	-	-	-	(7,891)	(1,171,053)	(1,178,944)
Repurchase of ordinary shares	-	-	(17,225)	-	-	-	-	(17,225)	-	(17,225)
Appropriation to reserves	-	-	-	-	135,763	-	(135,763)	-	-	-
<b>Balance at 31 December 2023</b>	14,412	16,164	(17,225)	1,521,651	1,120,121	(244,417)	43,904,813	46,315,519	1,437,199	47,752,718

The Notes on pages 46 to 70 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company									
	Share capital	Share premium	Treasury shares	Capital reserves	PRC statutory reserves	Exchange reserve	Retained earnings	Sub-total	Non-controlling interests	Total equity
	RMB'000 (Note 18(b))	RMB'000 (Note 18(c))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2024</b>	14,412	16,164	(17,225)	1,521,651	1,120,121	(244,417)	43,904,813	46,315,519	1,437,199	47,752,718
<b>Changes in equity for the six months ended 30 June 2024:</b>										
Profit for the period	-	-	-	-	-	-	1,175,881	1,175,881	44,760	1,220,641
Other comprehensive income	-	-	-	21,311	-	560	-	21,871	-	21,871
Total comprehensive income	-	-	-	21,311	-	560	1,175,881	1,197,752	44,760	1,242,512
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	1,200	1,200
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(6,050)	(6,050)
Decrease of non-controlling interests due to deregister of a subsidiary	-	-	-	-	-	-	-	-	(5,000)	(5,000)
Repurchase of ordinary shares	-	-	(88,382)	-	-	-	-	(88,382)	-	(88,382)
Cancellation of ordinary shares	(190)	(16,164)	105,607	-	-	-	(89,253)	-	-	-
Profit distribution to non-controlling interests	-	-	-	-	-	-	-	-	(64,640)	(64,640)
Dividends approved in respect of the previous year	-	-	-	-	-	-	(327,265)	(327,265)	-	(327,265)
<b>Balance at 30 June 2024</b>	14,222	-	-	1,542,962	1,120,121	(243,857)	44,664,176	47,097,624	1,407,469	48,505,093

The Notes on pages 46 to 70 form part of this interim financial report.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 June 2024 — unaudited  
(Expressed in Renminbi Yuan)

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Operating activities:</b>		
Cash generated from operations	<b>1,001,120</b>	1,061,487
Income tax paid	<b>(62,448)</b>	(125,496)
<b>Net cash generated from operating activities</b>	<b>938,672</b>	935,991
<b>Investing activities:</b>		
Payment for purchase of property, plant and equipment, construction in progress and intangible assets	<b>(1,767,880)</b>	(2,729,233)
Payment for land use rights	<b>(30,902)</b>	(22,856)
Acquisition of subsidiaries, net of cash acquired	–	(493,748)
Payment for the acquisition of subsidiaries in the previous years	<b>(84,373)</b>	–
Payment for bank deposits with maturity over three months	<b>(200,000)</b>	(40,000)
Proceeds from maturity of bank deposits over three months	<b>290,000</b>	400,000
Payment for purchase of associates	<b>(6,295)</b>	(9,780)
Payment for purchase of financial assets measured at FVPL	<b>(100,000)</b>	(760,000)
Proceeds from redemption of financial assets measured at FVPL	<b>150,000</b>	320,000
Dividends received from associates	<b>393,910</b>	748,910
Other cash flows arising from investing activities	<b>49,450</b>	67,674
<b>Net cash used in investing activities</b>	<b>(1,306,090)</b>	(2,519,033)
<b>Financing activities:</b>		
Proceeds from loans	<b>3,419,923</b>	5,172,080
Repayment of loans	<b>(2,315,801)</b>	(1,973,735)
Proceeds from the MTN	–	2,700,000
Profit distribution to non-controlling interests	<b>(27,796)</b>	(54,122)
Capital contribution from non-controlling shareholders	<b>1,200</b>	167,800
Payment for repurchase of shares	<b>(88,382)</b>	–
Payment for redemption of convertible bonds	–	(54,885)
Interest paid	<b>(494,109)</b>	(313,491)
Payment for purchase of non-controlling interests	<b>(6,050)</b>	–
Other cash flows used in financing activities	<b>(53,125)</b>	(17,686)
<b>Net cash generated from financing activities</b>	<b>435,860</b>	5,625,961
<b>Net increase in cash and cash equivalents</b>	<b>68,442</b>	4,042,919
<b>Cash and cash equivalents at 1 January</b>	<b>3,094,524</b>	4,361,637
<b>Effect of foreign exchange rate changes</b>	<b>452</b>	3,021
<b>Cash and cash equivalents at 30 June</b>	<b>3,163,418</b>	8,407,577

The Notes on pages 46 to 70 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 business 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 27 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 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:

- Amendments to IAS 1, *Presentation of financial statements: Classification of liabilities as current or non-current* (“**2020 amendments**”)
- Amendments to IAS 1, *Presentation of financial statements: Non-current liabilities with covenants* (“**2022 amendments**”)
- Amendments to IFRS 16, *Leases: Lease liability in a sale and leaseback*
- Amendments to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures — Supplier finance arrangements*

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 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 business and investments.

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Waste-to-energy projects</b>		
— Waste incineration solutions (i)	<b>2,560,851</b>	3,397,526
— Energy saving equipment	<b>332,561</b>	848,406
Subtotal	<b>2,893,412</b>	4,245,932
<b>Port logistics services</b>	<b>88,624</b>	109,122
<b>Sale of new building materials</b>	<b>46,540</b>	52,854
<b>New energy business</b>	<b>106,400</b>	29,631
	<b>3,134,976</b>	4,437,539

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 4 REVENUE AND SEGMENT REPORTING *(Continued)*

#### (a) Revenue *(Continued)*

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Timing of revenue recognition</b>		
— Over time	<b>2,714,875</b>	3,568,553
— Point in time	<b>420,101</b>	868,986
	<b>3,134,976</b>	4,437,539

- (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:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Revenue from waste incineration project construction services	<b>602,635</b>	1,700,135
Revenue from waste incineration project operation services	<b>1,851,284</b>	1,585,166
Finance income	<b>106,932</b>	112,225
Total	<b>2,560,851</b>	3,397,526

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 4 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 2024 and 2023 is set out below:

	Six months ended 30 June 2024 (Unaudited)							
	Waste-to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy business RMB'000	Investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Revenue from external customers	2,893,412	88,624	46,540	106,400	-	-	-	3,134,976
Inter-segment revenue	1,355	-	923	-	-	-	(2,278)	-
<b>Reportable segment revenue</b>	<b>2,894,767</b>	<b>88,624</b>	<b>47,463</b>	<b>106,400</b>	<b>-</b>	<b>-</b>	<b>(2,278)</b>	<b>3,134,976</b>
<b>Reportable segment profit/(loss) before taxation</b>	<b>597,781</b>	<b>43,800</b>	<b>(13,213)</b>	<b>(3,133)</b>	<b>701,120</b>	<b>(74,776)</b>	<b>-</b>	<b>1,251,579</b>
Interest income	16,531	100	160	50	-	8,513	-	25,354
Interest expenses	305,798	-	-	-	-	47,987	-	353,785
Depreciation and amortisation	486,346	20,019	8,572	7,768	-	3,072	-	525,777
Reversal of/(provision for) loss allowance — trade receivables and contract assets	6,525	-	-	(534)	-	-	-	5,991
<b>Reportable segment assets</b>	<b>36,029,139</b>	<b>419,340</b>	<b>1,335,807</b>	<b>3,151,766</b>	<b>38,026,714</b>	<b>6,229,418</b>	<b>(3,289,877)</b>	<b>81,902,307</b>
<b>Reportable segment liabilities</b>	<b>25,792,894</b>	<b>22,443</b>	<b>1,932,760</b>	<b>2,161,615</b>	<b>-</b>	<b>6,777,379</b>	<b>(3,289,877)</b>	<b>33,397,214</b>

# NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

## 4 REVENUE AND SEGMENT REPORTING (Continued)

### (b) Segment reporting (Continued)

#### (i) (Continued)

	Six months ended 30 June 2023 (Unaudited)							
	Waste-to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy business RMB'000	Investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
<b>Revenue from external customers</b>	4,245,932	109,122	52,854	29,631	-	-	-	4,437,539
Inter-segment revenue	-	-	923	2,042	-	-	(2,965)	-
<b>Reportable segment revenue</b>	4,245,932	109,122	53,777	31,673	-	-	(2,965)	4,437,539
<b>Reportable segment profit/(loss) before taxation</b>	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
	At 31 December 2023							
	Waste-to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy business RMB'000	Investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
<b>Reportable segment assets</b>	36,188,689	396,009	1,256,865	2,834,201	37,687,806	5,327,128	(3,230,319)	80,460,379
<b>Reportable segment liabilities</b>	26,025,513	31,881	1,840,651	1,836,855	-	6,203,080	(3,230,319)	32,707,661

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 4 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*

	<b>Six month ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Mainland China	<b>2,981,304</b>	3,894,623
Asia-Pacific (except Mainland China)	<b>153,672</b>	542,916
	<b>3,134,976</b>	4,437,539

##### *Specified non-current assets*

	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Mainland China	<b>73,054,771</b>	71,736,988
Asia-Pacific (except Mainland China)	<b>406,094</b>	391,777
	<b>73,460,865</b>	72,128,765

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 5 OTHER NET INCOME

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest income on bank deposits and cash at bank	25,354	55,844
Government grants	51,179	209,350
Recognition of negative goodwill as income	–	640
Net exchange gain	333	133
Net unrealised losses on financial assets measured at FVPL	(9,403)	(11,760)
Others	143	388
	<b>67,606</b>	254,595

### 6 PROFIT BEFORE TAXATION

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

#### (a) Finance costs:

	Six months ended 30 June	
	2024 RMB'000	2023 RMB'000
Interest on loans and borrowings	412,437	322,757
Interest on lease liabilities	848	997
Interest on MTN	40,316	13,490
Interest on convertible bonds	–	64,147
Total interest expense on financial liabilities not at fair value through profit or loss	<b>453,601</b>	401,391
Less: interest expense capitalised into construction in progress and intangible assets	<b>(99,816)</b>	(44,677)
	<b>353,785</b>	356,714

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 6 PROFIT BEFORE TAXATION *(Continued)*

#### (b) Other items:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
Depreciation of owned property, plant and equipment	<b>128,646</b>	119,578
Depreciation of right-of-use assets	<b>36,051</b>	22,760
Amortisation of intangible assets	<b>361,080</b>	291,220
Research and development costs	<b>22,516</b>	33,706
Reversal of/(provision for) impairment loss on trade receivables and contract assets	<b>5,991</b>	(30,309)

### 7 INCOME TAX

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the period	–	–
<b>Current tax – PRC Income Tax</b>		
Provision for the period	<b>66,507</b>	171,638
Over provision in respect of prior years	<b>(31,195)</b>	(14,949)
<b>Deferred tax:</b>		
Reversal of temporary differences, net	<b>(4,374)</b>	(47,652)
Income tax expense	<b>30,938</b>	109,037

(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 2024 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 2023. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 7 INCOME TAX *(Continued)*

- (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. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax.

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.

- (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 2024.

- (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)

### 8 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 of RMB1,175,881,000 for the six months ended 30 June 2024 (for the six months ended 30 June 2023: RMB1,817,965,000) and the weighted average number of ordinary shares in issue of 1,742,664,000 during the six months ended 30 June 2024 (during six months ended 30 June 2023: 1,812,985,000).

#### (b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2024 and 2023 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

### 9 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 2024, the Group acquired items of plant and equipment amounting to RMB785,581,000 (six months ended 30 June 2023: RMB1,992,966,000). Items of plant and equipment with a net book value of RMB1,102,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB837,000).

#### (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 2024, the additions of right-of-use assets amounted to RMB30,902,000 (six months ended 30 June 2023: RMB96,319,000).

As at 30 June 2024, leasehold land for own use with carrying amount of RMB620,671,000 (31 December 2023: RMB566,253,000) were pledged as collaterals for certain bank loans.

#### (c) Intangible assets

Intangible assets consist of software, customer relationship 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 2024, additions of waste incineration project operating rights amounted to RMB866,728,000 (six months ended 30 June 2023: RMB2,113,453,000). The operating rights were deemed to be definite life intangible assets and the operation periods of the BOT arrangements vary from 16–30 years.

### 10 INTERESTS IN ASSOCIATES

As at 30 June 2024, 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 2024, the Group recognised share of profits of associates in the amount of RMB701,120,000 in profit or loss (six months ended 30 June 2023: RMB1,269,264,000).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 11 FINANCIAL ASSETS MEASURED AT FVPL

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Non-current assets		
Unlisted equity securities at FVPL	<b>106,000</b>	106,000
Current assets		
Investment in structured deposit products (i)	<b>100,000</b>	150,000
Listed equity securities at FVPL		
— in Hong Kong	<b>13,610</b>	23,013
	<b>219,610</b>	279,013

- (i) The structured deposit products as at 30 June 2024 were issued by four PRC commercial banks with variable interest rates and have matured as at the date of this report and been fully recovered by the Group.

### 12 INVENTORIES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Raw materials	<b>119,864</b>	106,074
Work in progress	<b>67,171</b>	99,687
Finished goods	<b>113,240</b>	118,046
	<b>300,275</b>	323,807

During the six months ended 30 June 2024, no write-down of inventory was provided by the Group (six months ended 30 June 2023: Nil).

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 13 CONTRACT ASSETS

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
<b>Non-current:</b>		
Service concession assets (i)	<b>3,977,241</b>	4,155,728
<b>Current:</b>		
Service concession assets (i)	<b>50,814</b>	48,661
Unbilled government on-grid tariff subsidy (ii)	<b>753,049</b>	604,451
Other contract assets (iii)	<b>179,245</b>	184,625
Less: Impairment	<b>(1,737)</b>	(1,248)
	<b>981,371</b>	836,489
	<b>4,958,612</b>	4,992,217
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in "Intangible assets"	<b>2,345,520</b>	3,392,858

- (i) The service concession assets bear interest at rates ranging from 6.01% to 9.41% (31 December 2023: 6.01% to 9.41%) per annum as at 30 June 2024 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 RMB65,857,000 (31 December 2023: RMB63,184,000) 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)

### 14 TRADE AND OTHER RECEIVABLES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Trade receivables	<b>2,537,851</b>	2,366,301
Bills receivable	<b>57,627</b>	31,183
Less: loss allowance for doubtful debts	<b>(120,369)</b>	(126,849)
Trade and bills receivables	<b>2,475,109</b>	2,270,635
Deposits and prepayments	<b>52,587</b>	66,990
Other receivables	<b>501,071</b>	569,827
Interest receivables	<b>4,314</b>	27,286
Amounts due from third parties	<b>3,033,081</b>	2,934,738
Amounts due from related parties (note 21(b))	<b>280,406</b>	266,196
Current portion of trade and other receivables	<b>3,313,487</b>	3,200,934
Non-current portion of trade and other receivables	<b>1,682,467</b>	1,648,235
Total current and non-current trade and other receivables	<b>4,995,954</b>	4,849,169

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.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 14 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 2024 RMB'000	At 31 December 2023 RMB'000
Current	<b>1,597,134</b>	1,454,884
Less than 1 year	<b>686,266</b>	559,829
1 to 2 years	<b>133,817</b>	150,534
Over 2 years past due	<b>57,892</b>	105,388
	<b>2,475,109</b>	2,270,635

### 15 CASH AND CASH EQUIVALENTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank and on hand	<b>3,525,401</b>	3,588,071
Less: Restricted bank deposits	<b>(71,983)</b>	(113,547)
Bank deposits with original maturity over three months	<b>(290,000)</b>	(380,000)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	<b>3,163,418</b>	3,094,524

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 16 BANK LOANS

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Current	<b>1,798,709</b>	1,267,507
Non-current	<b>23,626,612</b>	23,053,691
<b>Total</b>	<b>25,425,321</b>	24,321,198

As at 30 June 2024, the bank loans were repayable as follows:

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Within one year	<b>1,798,709</b>	1,267,507
After one year but within two years	<b>1,933,575</b>	3,187,224
After two years but within five years	<b>6,797,328</b>	5,864,041
After five years	<b>14,895,709</b>	14,002,426
<b>Total</b>	<b>25,425,321</b>	24,321,198

As at 30 June 2024, the bank loans were secured as follows:

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Secured	<b>2,675,682</b>	2,347,037
Unsecured	<b>22,749,639</b>	21,974,161
<b>Total</b>	<b>25,425,321</b>	24,321,198

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 17 TRADE AND OTHER PAYABLES

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Trade payables	<b>2,882,513</b>	3,119,255
Bills payable	<b>101,875</b>	319,739
	<b>2,984,388</b>	3,438,994
Other payables and accruals	<b>1,027,285</b>	1,299,289
Amounts due to third parties	<b>4,011,673</b>	4,738,283
Dividends payable to the then-shareholders of the acquired subsidiaries	<b>8,837</b>	28,518
Dividends payable to non-controlling interests	<b>57,075</b>	23,451
Amounts due to related parties (note 21(b))	<b>171,922</b>	167,164
Total trade and other payables	<b>4,249,507</b>	4,957,416

An ageing analysis of trade and bills payables of the Group, based on the invoice date, is as follows:

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Within 1 year	<b>2,909,815</b>	3,353,067
1 year to 2 years	<b>36,000</b>	44,937
2 years to 3 years	<b>32,813</b>	34,618
Over 3 years but within 5 years	<b>5,760</b>	6,372
	<b>2,984,388</b>	3,438,994

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

(Expressed in Renminbi Yuan unless otherwise indicated)

### 18 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	
		2024	2023
		RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved during the interim period, of HKD0.20 per share (six months ended 30 June 2023: HKD0.40 per share)	(i)	<b>327,265</b>	670,269

- (i) Pursuant to a resolution passed at the annual general meeting on 25 June 2024, a final dividend in respect of the previous financial year of HKD0.20 per share totaling HKD358,408,000 (equivalent to approximately RMB327,265,000) was approved (2023: HKD725,194,000 (equivalent to approximately RMB670,269,000)), which was paid in July 2024.

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).



## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 18 CAPITAL, RESERVES AND DIVIDENDS *(Continued)*

#### (b) Purchase of own shares

During the interim period, the Company repurchased its own shares through The Stock Exchange of Hong Kong Limited as follows:

Month/year	Number of shares repurchased	Highest price paid per share HKD	Lowest price paid per share HKD	Total consideration paid HKD
March 2024	8,054,000	5.85	5.30	44,349,000
April 2024	9,850,500	5.63	5.20	52,677,000
<b>Total</b>	<b>17,904,500</b>			<b>97,026,000</b>

During the six months ended 30 June 2024, the Company repurchased and cancelled an aggregate of 17,904,500 of its own shares through the Stock Exchange, at a total consideration of HKD97,026,000, equivalent to approximately RMB88,382,000.

The Company also cancelled the outstanding 3,039,500 shares, which were repurchased in 2023 during this period.

#### (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)

### 19 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 2024 RMB'000	Fair value measurements as at 30 June 2024 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Financial assets: measured at FVPL				
— Investment in structured deposits	100,000	–	100,000	–
— Listed equity securities	13,610	13,610	–	–
— Unlisted equity securities	106,000	–	–	106,000
measured at FVOCI				
— Equity instrument investment	10,320	–	–	10,320

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 19 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 31 December 2023 RMB'000	Fair value measurements as at 31 December 2023 categorised into		
		Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000
<b>Recurring fair value measurement</b>				
Financial assets:				
measured at FVPL				
— Investment in structured deposits	150,000	–	150,000	–
— Listed equity securities	23,013	23,013	–	–
— Unlisted equity securities	106,000	–	–	106,000
measured at FVOCI				
— Equity instrument investment	10,320	–	–	10,320

During the six months ended 30 June 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (30 June 2023: 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 2024, 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.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 19 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS *(Continued)*

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

##### (i) Fair value hierarchy *(Continued)*

###### *Information about Level 3 fair value measurements*

The fair value of certain unlisted equity securities measured at FVPL and FVOCI are determined using valuation multiples adjusted for changing trend of average market multiples of comparable companies and discount for lack of liquidity.

The fair value measurement is positively correlated to the changing trend of average market multiples of comparable companies. As at 30 June 2024, it is estimated that with all other variables held constant, an increase/decrease in change of average market multiples of comparable companies by 5% would have increased/decreased the Group's profit for the six months period ended 30 June 2024 by RMB1,000,000 (six months 30 June 2023: RMB778,000).

Any gain or loss arising from the remeasurement of the Group's equity investments in unlisted entities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income. Upon disposal of equity securities, the amount accumulated in other comprehensive income is transferred directly to retained earnings.

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	<b>At 30 June 2024 RMB'000</b>	At 30 June 2023 RMB'000
Unlisted equity securities:		
At 1 January	<b>116,320</b>	92,800
Additional securities acquired	–	–
Net unrealised gains or losses recognised in other comprehensive income during the period	–	–
At 30 June	<b>116,320</b>	92,800
Total gains or losses for the period included in profit or loss for assets held at the end of the reporting period	–	–

#### (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 2024 and 31 December 2023.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 20 COMMITMENTS

At 30 June 2024, the Group had capital commitments not provided for in the interim financial report were as follows:

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
Contracted for	<b>1,247,052</b>	3,154,819
Authorised but not contracted for	<b>357,742</b>	901,347
	<b>1,604,794</b>	4,056,166

### 21 MATERIAL RELATED PARTY TRANSACTIONS

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

<b>Name of party (i)</b>	<b>Relationship</b>
Kawasaki Heavy Industry Ltd. (" <b>Kawasaki HI</b> ") 川崎重工業株式會社	Investor of Anhui Conch Kawasaki Engineering Co., Ltd. 安徽海螺川崎工程有限公司 and Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. 安徽海螺川崎節能設備製造有限公司
Conch Holdings and its subsidiaries and associates (" <b>Conch Holdings</b> ")(ii) 安徽海螺集團有限責任公司及其附屬公司和聯營公司	Shareholder of the Group and associate of the Group
Anhui Conch Venture Group Co., Ltd. (" <b>CV Group</b> ") 安徽海創集團股份有限公司	Shareholder of the Group
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. (" <b>CKEM</b> ") 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.

(ii) On 5 March 2024, the number of shares held by Conch Holdings amounted to 181,306,000, representing approximately 10.00% of the issued share capital in the Company. Accordingly, with effect from 5 March 2024, Conch Holdings became a substantial shareholder of the Company and hence a connected person of the Company under Chapter 14A of the Listing Rules.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 21 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	
	2024	2023
	RMB'000	RMB'000
<b>Sales of goods</b>		
Conch Holdings	143,058	692,586
Kawasaki HI	28,341	96
CKEM	560	580
	<b>171,959</b>	693,262

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Service rendered</b>		
Conch Holdings	58,923	72,298
CV Group	2,689	4,407
	<b>61,612</b>	76,705

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
<b>Purchase of goods</b>		
Conch Holdings	15,196	21,807
Kawasaki HI	733	2,212
CKEM	2,275	8,039
CV Group	16,258	25,554
	<b>34,462</b>	57,612

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 21 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Services received</b>		
Conch Holdings	<b>36,355</b>	23,953
Kawasaki HI	–	287
CV Group	<b>8,614</b>	24,754
	<b>44,969</b>	48,994

#### (b) Balances with related parties

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

	<b>At</b>	At
	<b>30 June</b>	31 December
	<b>2024</b>	2023
	<b>RMB'000</b>	RMB'000
<b>Amounts due from</b>		
Conch Holdings	<b>264,928</b>	263,919
Kawasaki HI	<b>15,305</b>	1,949
CKEM	–	90
CV Group	<b>173</b>	238
	<b>280,406</b>	266,196

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi Yuan unless otherwise indicated)

### 21 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

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

	<b>At 30 June 2024 RMB'000</b>	At 31 December 2023 RMB'000
<b>Amounts due to</b>		
Conch Holdings	<b>130,927</b>	123,587
Kawasaki HI	–	2,143
CKEM	<b>13,621</b>	13,509
CV Group	<b>27,374</b>	27,925
	<b>171,922</b>	167,164

### 22 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 22 August 2024, the Company's Board of Directors announced that the Board meeting would be held on 4 September 2024 for the purpose of considering the declaration and payment of a special dividend to the shareholders of the Company.