



China Conch Environment Protection Holdings Limited
中國海螺環保控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 587)



2024 INTERIM
REPORT

This Interim Report, in both Chinese and English versions, is available on the Company's website at <http://www.conchenviro.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.

Contents

Definitions	2
1. Corporate Information	5
2. Financial Highlights	7
3. Business Review and Outlook	8
4. Management Discussion and Analysis	19
5. Other Information	29
6. Unaudited Interim Financial Report	40



DEFINITIONS

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

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
BYD:	BYD Company Limited (比亞迪股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002594) and the Main Board of the Stock Exchange (stock code: 01211)
CNBM:	中國建材股份有限公司 (China National Building Material Company Limited*), a company listed on Main Board of the Stock Exchange (stock code: 03323)
Company/Conch Environment/ we/us:	China Conch Environment Protection Holdings Limited (中國海螺環保控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 587)
Conch Cement:	安徽海螺水泥股份有限公司 (Anhui Conch Cement Co., Ltd.*), a joint stock company established in the PRC with limited liability and the shares of which are listed on Shanghai Stock Exchange (stock code: 600585) and on the Main Board of the Stock Exchange (stock code: 914), and the controlling shareholder of the Company
Conch Holdings:	安徽海螺集團有限責任公司 (Anhui Conch Holdings Co., Ltd.*)
Conch Venture:	China Conch Venture Holdings Limited (中國海螺創業控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 586)
controlling shareholder(s):	has the meaning ascribed thereto under the Listing Rules
Corporate Governance Code:	the Corporate Governance Code set out in Appendix C1 to the Listing Rules

DEFINITIONS

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.*))
Director(s):	the director(s) of the Company
Group:	the Company and its subsidiaries
HKD/HK\$:	the lawful currency of Hong Kong
holding company:	has the meaning ascribed thereto under the Listing Rules
Hong Kong:	the Hong Kong Special Administrative Region of the PRC
Listing Document:	the listing document of the Company issued in connection with the Listing dated 22 March 2022
Listing Rules:	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
Management:	the operating management team 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
Parties Acting in Concert:	the parties acting in concert with Conch Cement under the Takeovers Code, including but not limited to Conch Venture, Qi Shengli (齊生立), Li Qunfeng (李群峰), Guo Dan (郭丹), Yan Zi (晏滋), Ji Xian (紀憲), Ma Wei (馬偉) and Wang Jingqian (王敬謙)
PRC/China:	the People's Republic of China (for the purpose of this report, excludes Hong Kong, Macao Special Administrative Region of the PRC and Taiwan)
Remuneration and Nomination Committee:	the remuneration and nomination committee of the Board
Reporting Period:	from 1 January 2024 to 30 June 2024



DEFINITIONS

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, supplemented or otherwise modified from time to time)
Share(s):	ordinary share(s) of HKD0.01 each in the share capital of the Company
Shareholder(s):	the shareholder(s) of the Company
Shengli Oilfield:	中國石油化工股份有限公司勝利油田分公司濱南採油廠 (China Petroleum & Chemical Corporation Shengli Oilfield Branch Company Binnan Oil Production Plant*)
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
subsidiary(ies):	has the meaning ascribed thereto under the Listing Rules
Takeovers Code:	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong (as amended, supplemented or otherwise modified from time to time)

* For identification purpose only

1. CORPORATE INFORMATION

(I) REGISTERED CHINESE NAME OF THE COMPANY:	中國海螺環保控股有限公司
CHINESE ABBREVIATION:	海螺環保
REGISTERED ENGLISH NAME OF THE COMPANY:	CHINA CONCH ENVIRONMENT PROTECTION HOLDINGS LIMITED
ENGLISH ABBREVIATION:	CONCH ENVIRO
(II) EXECUTIVE DIRECTORS:	Mr. WANG Chunjian (<i>General Manager</i>) (appointed as the executive Director and General Manager on 29 August 2024) Ms. LIAO Dan Mr. FAN Zhan Mr. LI Xiaobo (<i>General Manager</i>) (resigned as the executive Director and General Manager on 29 August 2024)
(III) NON-EXECUTIVE DIRECTORS:	Mr. LI Qunfeng (<i>Chairman of the Board</i>) Mr. JIANG Dehong Mr. MA Wei
(IV) INDEPENDENT NON-EXECUTIVE DIRECTORS:	Mr. DING Wenjiang Ms. WANG Jiafen Ms. LI Chen
(V) AUDIT COMMITTEE:	Ms. WANG Jiafen (<i>Chairlady</i>) Mr. DING Wenjiang Ms. LI Chen
(VI) REMUNERATION AND NOMINATION COMMITTEE:	Mr. DING Wenjiang (<i>Chairman</i>) Mr. LI Qunfeng Ms. WANG Jiafen Ms. LI Chen
(VII) STRATEGY, SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE:	Mr. LI Qunfeng (<i>Chairman</i>) Mr. WANG Chunjian (appointed on 29 August 2024) Mr. DING Wenjiang Mr. JIANG Dehong Mr. LI Xiaobo (resigned on 29 August 2024)
(VIII) JOINT COMPANY SECRETARIES:	Ms. LIAO Dan Mr. LEE Leong Yin



1. CORPORATE INFORMATION

(IX) AUTHORISED REPRESENTATIVES:	Mr. LI Qunfeng Mr. WANG Chunjian (appointed on 29 August 2024) Mr. LI Xiaobo (resigned on 29 August 2024)
(X) REGISTERED OFFICE IN THE CAYMAN ISLANDS:	Campbells Corporate Services Limited Floor 4, Willow House, Cricket Square Grand Cayman, KY1-9010, Cayman Island
(XI) HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC:	Wuhu Conch International Conference Center No. 1005, South Jiuhoa Road Yijiang District, Wuhu City Anhui Province PRC
(XII) POSTAL CODE:	241070
(XIII) EMAIL ADDRESS OF THE COMPANY:	hlhb@conchenviro.com
(XIV) WEBSITE OF THE COMPANY:	http://www.conchenviro.com
(XV) PRINCIPAL PLACE OF BUSINESS IN HONG KONG:	5/F, Manulife Place 348 Kwun Tong Road Kowloon, Hong Kong
(XVI) HONG KONG LEGAL ADVISOR:	Clifford Chance
(XVII) INTERNATIONAL AUDITOR:	KPMG Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance 8/F, Prince's Building, 10 Chater Road, Central, Hong Kong
(XVIII) PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS:	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
(XIX) HONG KONG SHARE REGISTRAR:	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor Hopewell Centre 183 Queen's Road East, Wanchai Hong Kong
(XX) STOCK CODE:	00587

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	804,007	970,784	-17.18
Profit before taxation	108,968	251,729	-56.71
Profit for the period	92,304	224,439	-58.87
Net profit attributable to the equity shareholders of the Company	82,141	200,020	-58.93

2. Assets and liabilities

Item	30 June 2024 Amount (RMB'000)	31 December 2023 Amount (RMB'000)	Changes between the Reporting Period and the end of the previous year (%)
Total assets	9,679,285	9,412,268	2.84
Total liabilities	5,925,686	5,702,078	3.92
Equity attributable to the equity shareholders of the Company	3,025,134	2,993,037	1.07



3. BUSINESS REVIEW AND OUTLOOK

(1) MACRO ENVIRONMENT

In the first half of 2024, the international environment became more complex and challenging and the geopolitical risks increased, and the global economic recovery faced significant pressure. Under the coordination of national macro policies, China's national economy continued to recover and improve, and the growth of new drivers accelerated, with GDP increasing by 5.0% period-on-period.

2024 is also a key year for achieving the goals and tasks of the "14th Five-Year" Plan. With the in-depth promotion of green transformation policies, China is in a critical period of focusing on carbon reduction, promoting synergy in pollution reduction and carbon reduction, and realizing the improvement of ecological environment quality from quantitative to qualitative change. As a leading enterprise in the field of solid and hazardous waste treatment, the Group has always adhered to the business concept of "lucid waters and lush mountains are invaluable assets", and is committed to high quality and sustainable development. With "seeking progress in stability" as the keynote, we consolidate and further expand our environmental protection business horizontally and vertically, and focus on refined operation, innovation and research and development, so as to continue to consolidate the core competitiveness of the enterprise.

During the Reporting Period, amidst fierce competition in the hazardous waste treatment market and the continuous decline in the operating rate of cement kilns, the Group made every effort to expand the market, strengthened production management coordination with cement enterprises and factories, continued to consolidate basic management, and actively reserved development projects. Although the Group's profit declined due to the ongoing decrease in treatment prices, the overall operating situation was basically stable and all work was carried out in an orderly manner.

(2) BUSINESS REVIEW

During the Reporting Period, the Group has continued to refine implementation directions and pathways for businesses such as cement kiln co-processing treatment of solid and hazardous wastes, fly ash washing, oil sludge treatment and comprehensive resource utilization by adhering to the development plans, and increased the development of recycling and hazard-free projects, so as to further improve the Group's environmental protection industry chain.

At the end of the Reporting Period, the Group put into operation and constructed a total of 83 environmental protection projects in 21 provinces, municipalities, and autonomous regions across the country, including 41 general hazardous waste projects, 5 fly ash washing projects, 6 oil sludge treatment projects, 26 industrial solid waste projects and 5 resource utilization projects. The treatment scale of the projects was approximately 11,752,600 tonnes/year (excluding projects subject to approval and to be constructed).

3. BUSINESS REVIEW AND OUTLOOK

Industrial hazardous waste treatment and comprehensive resource utilization

1) Project expansion

The Group has accelerated its pace towards the development of industrial hazardous waste treatment business based on a policy-guided, market-oriented and efficiency-focused approach. During the Reporting Period, the Group successfully entered into a contract for a fly ash treatment project in Taizhou, Zhejiang Province (100,000 tonnes/year).

In terms of comprehensive resource utilization, the Group actively sought market opportunities and conducted extensive market research on alternative fuels, taking into account the actual needs of cement enterprises. During the Reporting Period, the Group successfully entered into a contract for an alternative fuel project (50,000 tonnes/year) in Xuancheng, Anhui Province. Meanwhile, the Group has also actively launched research on projects involving waste salt, organic solvents and metal resource utilization, paving the way for the Group's layout of resource utilization projects.

2) Project operation

In terms of market expansion, the Group conducted market visits to key customers to further stabilize customer resources. The Group focused on bidding for major waste production enterprises and entered into co-operation with large-scale waste production enterprises such as BYD and Shengli Oilfield. In addition, the Group successfully opened an inter-provincial channel between Tianjin and Shandong, effectively enhancing its competitiveness in the regional market and maintaining growth in the total volume of inter-provincial contracts.

In terms of operation and management, the Group has been implementing technological reforms and initiatives to effectively ensure the stable operation of its projects. Against the backdrop of low kiln operating rate, the Group has continued to consolidate its experience in production management with cement enterprises and further explored solid and hazardous waste treatment, thus realizing a steady increase in relative operating rate.

During the Reporting Period, the total treatment volume of industrial hazardous waste of the Group was approximately 549,900 tonnes, representing a period-on-period increase of approximately 0.69%, among which, approximately 472,400 tonnes were general hazardous waste, approximately 42,100 tonnes were oil sludge, and approximately 35,300 tonnes were fly ash; approximately 1,200 tonnes of comprehensive resource utilization matter products were sold, representing a period-on-period decrease of approximately 18.64%; and approximately 93,700 tonnes of alternative fuels were disposed of and supplied, representing a period-on-period increase of approximately 129.09%.



3. BUSINESS REVIEW AND OUTLOOK

Industrial solid waste treatment

1) Project expansion

The Group conducted in-depth market research on its reserve projects, continued to strengthen communication with water enterprises and local governments, and actively promoted projects with economic advantages by leveraging on the successful operating experience of its existing sludge drying projects.

2) Project operation

The Group actively expanded industrial solid waste market and has obtained the disposal rights for a number of emergency projects such as sludge from accumulator batteries and sludge from steel slag. However, due to the delays in implementation of some intended orders for disposal of contaminated soil, the total treatment volume of industrial solid waste of the Group was approximately 821,400 tonnes during the Reporting Period, representing a period-on-period decrease of approximately 20.73%.

3. BUSINESS REVIEW AND OUTLOOK

At the end of Reporting Period, details of general hazardous waste treatment projects of the Group in operation and under construction are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Hazardous Waste Qualification	Actual/Expected Completion Date
1	In operation	Fuping, Shaanxi Province	100,000 tonnes/year	100,000 tonnes/year	April 2016
2		Qian County, Shaanxi Province	80,100 tonnes/year	80,100 tonnes/year	April 2017
3		Wuhu, Anhui Province	266,000 tonnes/year	130,000 tonnes/year	December 2017
4		Yiyang, Jiangxi Province	300,000 tonnes/year	170,000 tonnes/year	May 2018
5		Xingye, Guangxi Province	320,000 tonnes/year	161,500 tonnes/year	August 2018
6		Suzhou, Anhui Province	200,000 tonnes/year	125,000 tonnes/year	August 2018
7		Qianyang, Shaanxi Province	100,000 tonnes/year	100,000 tonnes/year	October 2018
8		Zhong County, Chongqing Municipality	448,000 tonnes/year	143,500 tonnes/year	June 2019
9		Tongchuan, Shaanxi Province	100,000 tonnes/year	81,500 tonnes/year	August 2019
10		Wenshan, Yunnan Province	71,000 tonnes/year	66,000 tonnes/year	August 2019
11		Sanming, Fujian Province	200,000 tonnes/year	40,500 tonnes/year	August 2019
12		Qingzhen, Guizhou Province	150,000 tonnes/year	100,000 tonnes/year	September 2019
13		Yixing, Jiangsu Province	190,000 tonnes/year	100,000 tonnes/year	December 2019
14		Sishui, Shandong Province	200,000 tonnes/year	100,000 tonnes/year	January 2020
15		Qiyang, Hunan Province	270,000 tonnes/year	69,500 tonnes/year	January 2020
16		Yangchun, Guangdong Province	185,300 tonnes/year	85,300 tonnes/year	August 2020
17		Luoyang, Henan Province	138,000 tonnes/year	72,000 tonnes/year	December 2020
18		Jiyuan, Henan Province	80,000 tonnes/year	50,000 tonnes/year	December 2020



3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Hazardous Waste Qualification	Actual/Expected Completion Date
19	In operation	Dezhou, Shandong Province	100,000 tonnes/year	75,000 tonnes/year	December 2020
20		Tai'an, Shandong Province	160,000 tonnes/year	100,000 tonnes/year	December 2020
21		Linxiang, Hunan Province	190,000 tonnes/year	88,500 tonnes/year	January 2021
22		Wuhu, Anhui Province	16,500 tonnes/year	16,500 tonnes/year	January 2021
23		Chongzuo, Guangxi Province	100,000 tonnes/year	85,000 tonnes/year	March 2021
24		Long'an, Guangxi Province	100,000 tonnes/year	70,000 tonnes/year	March 2021
25		Guilin, Guangxi Province	230,000 tonnes/year	50,000 tonnes/year	July 2021
26		Dengfeng, Henan Province	100,000 tonnes/year	80,000 tonnes/year	July 2021
27		Ningguo, Anhui Province	100,000 tonnes/year	70,000 tonnes/year	January 2022
28		Nanjing, Jiangsu Province	100,000 tonnes/year	94,600 tonnes/year	January 2022
29		Pingliang, Gansu Province	130,000 tonnes/year	60,000 tonnes/year	June 2022
30		Fuyang, Zhejiang Province	200,000 tonnes/year	90,000 tonnes/year	June 2022
31		Jiayuguan, Gansu Province	200,000 tonnes/year	100,000 tonnes/year	June 2022
32		Hulunbuir, Inner Mongolia	50,000 tonnes/year	35,000 tonnes/year	June 2022
33		Arong Qi, Inner Mongolia	100,000 tonnes/year	85,000 tonnes/year	June 2022
34		Fuzhou, Jiangxi Province	100,000 tonnes/year	75,000 tonnes/year	October 2022
35		Nantong, Chongqing Municipality	160,000 tonnes/year	50,000 tonnes/year	December 2022

3. BUSINESS REVIEW AND OUTLOOK

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Hazardous Waste Qualification	Actual/Expected Completion Date
36	In operation	Shaoguan, Guangdong Province	430,000 tonnes/year	180,600 tonnes/year	April 2023
37		Qingyuan, Guangdong Province	100,000 tonnes/year	67,500 tonnes/year	August 2023
38		Wuhan, Hubei province	18,000 tonnes/year	18,000 tonnes/year	December 2023
39		Tongchuan, Shaanxi Province	200,000 tonnes/year	147,000 tonnes/year	April 2024
40		Luoding, Guangdong Province	300,000 tonnes/year	100,000 tonnes/year	April 2024
Subtotal			6,582,900 tonnes/year	3,512,600 tonnes/year	
41	Under construction	Yongdeng, Gansu Province	100,000 tonnes/year	/	October 2024
Subtotal			100,000 tonnes/year		
Total			6,682,900 tonnes/year	3,512,600 tonnes/year	



3. BUSINESS REVIEW AND OUTLOOK

At the end of Reporting Period, details of fly ash washing projects of the Group in operation and under construction are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Actual/Expected Completion Date
1	In operation	Wuhu, Anhui Province	100,000 tonnes/year	December 2020
2		Yiyang, Hunan Province	49,500 tonnes/year	March 2022
3		Yiyang, Jiangxi Province	100,000 tonnes/year	March 2022
4		Quanjiao, Anhui Province	100,000 tonnes/year	May 2023
5		Qian County, Shaanxi Province	50,000 tonnes/year	December 2023
Total			399,500 tonnes/year	

At the end of Reporting Period, details of oil sludge treatment projects of the Group in operation and under construction are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Hazardous Waste Qualification	Actual/Expected Completion Date
1	In operation	Yulin, Shaanxi Province	225,000 tonnes/year	225,000 tonnes/year	May 2020
2		Binzhou, Shandong Province	100,000 tonnes/year	100,000 tonnes/year	May 2021
3		Dongying, Shandong Province	160,000 tonnes/year	160,000 tonnes/year	January 2022
4		Jinzhou, Liaoning Province	Oil sludge treatment: 20,000 tonnes/year Incineration: 42,000 tonnes/year	62,000 tonnes/year	September 2023
5		Qingyang, Gansu Province	96,000 tonnes/year	88,000 tonnes/year	April 2024
Subtotal			643,000 tonnes/year	635,000 tonnes/year	
6	Under construction	Zhong County, Chongqing Municipality (Phase 1)	50,000 tonnes/year	/	October 2024
Subtotal			50,000 tonnes/year		
Total			693,000 tonnes/year		

3. BUSINESS REVIEW AND OUTLOOK

At the end of Reporting Period, details of industrial solid waste treatment projects of the Group in operation and under construction are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Actual/Expected Completion Date
1	In operation	Huaining, Anhui Province	66,000 tonnes/year	September 2017
2		Mian County, Shaanxi Province	16,500 tonnes/year	October 2017
3		Huaibei, Anhui Province	132,000 tonnes/year	December 2017
4		Liangping, Chongqing Municipality	235,000 tonnes/year	September 2019
5		Guangyuan, Sichuan Province	120,000 tonnes/year	January 2020
6		Fanchang, Anhui Province	210,000 tonnes/year	July 2020
7		Chizhou, Anhui Province	100,000 tonnes/year	November 2020
8		Yiyang, Hunan Province	66,200 tonnes/year	January 2021
9		Baoding, Hebei Province	100,000 tonnes/year	March 2021
10		Quanjiao, Anhui Province	60,000 tonnes/year	July 2021
11		Zongyang, Anhui Province	100,000 tonnes/year	July 2021
12		Xinhua, Hunan Province	66,000 tonnes/year	January 2022
13		Lin'an, Zhejiang Province	100,000 tonnes/year	March 2022
14		Changshou, Chongqing Municipality	149,000 tonnes/year	April 2022
15		Xin'an, Henan Province	49,500 tonnes/year	June 2022
16		Chaohu, Anhui Province (sludge drying)	200,000 tonnes/year	January 2023
17		Wuhu, Anhui Province (sludge drying)	146,000 tonnes/year	February 2023
18		Tongling, Anhui Province	650,000 tonnes/year	March 2023
19		Xiangtan, Hunan Province	200,000 tonnes/year	May 2023
20		Yunfu, Guangdong Province	160,000 tonnes/year	June 2023
21		Shuicheng, Guizhou Province	66,000 tonnes/year	October 2023
22		Changjiang, Hainan Province	100,000 tonnes/year	January 2024
23		Changshan, Zhejiang Province	250,000 tonnes/year	January 2024
24		Mianyang, Sichuan Province	100,000 tonnes/year	March 2024
25		Jining, Shandong Province	50,000 tonnes/year	April 2024
26		Dazhou, Sichuan Province	155,000 tonnes/year	May 2024
Total			3,647,200 tonnes/year	



3. BUSINESS REVIEW AND OUTLOOK

At the end of the Reporting Period, details of alternative fuel processing projects of the Group in operation and under construction are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Actual/Expected Completion Date
1	In operation	Qingyuan, Guangdong Province	30,000 tonnes/year	July 2023
2		Wuhu, Anhui Province	100,000 tonnes/year	November 2023
3		Chizhou, Anhui Province (Phase 1)	100,000 tonnes/year	May 2024
Total			230,000 tonnes/year	

At the end of the Reporting Period, details of the other comprehensive resource utilization projects of the Group are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity ^{Note}	Hazardous Waste Qualification	Actual/Expected Completion Date	Category
1	In operation	Ninghai, Zhejiang Province	100,000 tonnes/year	100,000 tonnes/year	May 2021	Metal resource recycling
2	Under construction	Changjiang, Hainan Province	50,000 vehicles/year	/	September 2024	Motor vehicle dismantling

Note: Project treatment capacity is calculated according to the production capacity pursuant to the environmental impact assessment approvals obtained.

At the end of Reporting Period, the treatment capacity of the Group's projects in operation and under construction was approximately 11,752,600 tonnes/year, the details of which are set out in the following table:

(Unit: 10,000 tonnes/year)

Category	General hazardous waste		Fly ash washing	Oil sludge treatment		Industrial solid waste	Comprehensive resource utilization
	In operation	Under construction	In operation	In operation	Under construction	In operation	
Treatment Capacity that has obtained environmental impact assessment approvals	658.29	10	39.95	64.3	5	364.72	33

3. BUSINESS REVIEW AND OUTLOOK

(3) FUTURE PLAN AND OUTLOOK

The Third Plenary Session of the 20th Central Committee of the Communist Party of China stressed the need to accelerate the comprehensive green transformation of economic and social development, improve the ecological environment governance system, and promote ecological priority, green and low-carbon development. The Group will closely follow the strategic guidance of green and low-carbon development to seize the policy opportunities. Adhering to the guidance of scientific and technological innovation, the Group will cultivate new advantages in environmental protection competition of “multi-core development and diversified business” with a focus on the key development areas such as resource recycling, energy conservation and carbon reduction, so as to lead a new round of high-quality development of the Group. Therefore, the Group will focus its efforts on the following areas:

Improving the diversified industrial layout and seizing the prominent position of environmental protection development

With a focus on the development of its main business of environmental protection, the Group will fully grasp the opportunities of industry integration. Leveraging on the simultaneous efforts of new construction as well as mergers and acquisitions, the Group will deeply facilitate the extension of the industrial chain, thereby further consolidating the Group’s leading position in the industry. **In terms of general hazardous waste treatment**, the Group will give full play to the advantages of cement kiln resources of partners such as Conch Cement and CNBM. By continuously optimizing the project layout with economic benefits as the core, the Group will conduct acquisitions of projects in a reasonable way to enhance market control; **in terms of oil sludge treatment**, the Group will enhance its market research in key oil-producing areas and coastal areas where the oil industry is located, and strengthen the development of source markets of oil sludge in areas with existing projects. The Group will also seek cooperation opportunities with large-scale oilfields to further increase its market share; **in terms of fly ash washing business**, the Group will closely follow the national policy guidance of zero hazardous waste for landfill management, and actively carry out project deployment in densely populated developed cities according to the overall principle of “planning first, distribution first, and timely start-up”; **in terms of sludge treatment**, the Group will strengthen its cooperation and exchanges with cement plants, coal-fired power plants and other terminal utilization enterprises to realize a new diversified development model of sludge terminal utilization. In the second half of 2024, the Group will focus on accelerating the process of reserve projects and realizing the implementation of projects as soon as possible; **in terms of comprehensive resource utilization business**, on the one hand, the Group will accelerate its industrial layout in places where alternative fuel raw material resources are abundant, and actively communicate with the environmental protection authorities to seize the opportunity to accelerate the construction of local green sorting centers and open up the upstream and downstream industrial chains. On the other hand, with the help of the advantages of the academician workstation platform, the Group will focus on hot topics such as non-ferrous metal recycling, organic solvents and waste salt disposal to promote the transformation and application of scientific research achievements.



3. BUSINESS REVIEW AND OUTLOOK

Continuously consolidating market share and taking multiple measures to increase efficiency

The Group will: (1) activate the potential of its existing customers and channels, carry out market visits in levels with a focus on customers, so as to stabilize the existing market on an ongoing basis; (2) pay close attention to the bidding situation of key customers, so as to timely grasp the needs of emergency project disposal and actively expand the incremental market; (3) organize and implement the market expansion of bulk solid waste and polluted soil, and make every effort to enhance the contribution of solid waste market benefits; and (4) summarize and promote the marketing management experience, coordinate regional resources, and make every effort to expand volume and stabilize prices, so as to promote the improvement of economic benefits.

Focusing on refined operations and building core competitiveness of the enterprise

The Group will: (1) continue to strengthen the integration of production management with cement enterprises, optimize cost control in the management process of production and procurement, and enhance market competitiveness; (2) strive to further improve the relative operating rate and output capacity, strengthen the allocation management, and actively promote the technical reforms and measures, so as to comprehensively improve its production and disposal efficiency; and (3) pay close attention to the stable operation of equipment and focus on the maintenance of key equipment, so as to ensure the efficient operation of the project.

Developing new quality productivity led by innovation

On the one hand, the Group will focus on the green development fields such as national dual carbon emission reduction, energy conservation and environmental protection. By giving full play to the advantages of academician workstations and adhering to innovation-driven development, the Group will strengthen the construction of its R&D teams. Besides, the Group will always pay attention to the changes in new technologies, new equipment and new processes at home and abroad, so as to continuously increase its investment in scientific research and technological innovation. On the other hand, the Group will unswervingly facilitate the construction of informatization, and also promote the platformization of solid and hazardous waste disposal business. Meanwhile, the Group will pay attention to the development of system-assisted intelligent allocation functions, thereby improving its management efficiency.

Strengthening risk prevention and control to improve operating results

The Group will, firstly, pay close attention to the management of accounts receivable, by formulating strategies and measures for the settlement of debts in a differentiated manner, carrying out credit evaluation of customers in a high-standard manner, and increasing the coverage of the prepayment business, so as to continuously safeguard the stability and safety of the Company's cash flow; secondly, strengthen the construction of the internal control system and the institutional system, by focusing on the key risk areas, and comprehensively applying regular inspections and daily audits, so as to strengthen rectification of problems; and thirdly, improve the safety management system, by strictly implementing safety management responsibilities in a pragmatic manner, and promoting standardised environmental management in a regular manner.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(I) FINANCIAL PROFITABILITY

Item	January-June	January-June	Changes between the Reporting Period and the corresponding period of the previous year (%)
	2024	2023	
	Amount (RMB'000)	Amount (RMB'000)	
Revenue	804,007	970,784	-17.18
Profit before taxation	108,968	251,729	-56.71
Profit for the period	92,304	224,439	-58.87
Net profit attributable to equity shareholders of the Company	82,141	200,020	-58.93

During the Reporting Period, the Group recorded revenue of RMB804.01 million, representing a period-on-period decrease of 17.18%. Profit before taxation amounted to RMB108.97 million, representing a period-on-period decrease of 56.71%. Profit for the period amounted to RMB92.3 million, representing a period-on-period decrease of 58.87%. Net profit attributable to equity shareholders of the Company amounted to RMB82.14 million, representing a period-on-period decrease of 58.93%. During the six months ended 30 June 2024, basic earnings per share amounted to RMB0.04, representing a period-on-period decrease of RMB0.07.

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 (%)		
Industrial hazardous waste treatment services	558,627	69.48	631,658	65.07	-11.56	4.41
General hazardous waste	469,119	58.35	549,653	56.62	-14.65	1.73
Oil sludge	42,861	5.33	40,292	4.15	6.38	1.18
Fly ash	46,647	5.80	41,713	4.30	11.83	1.50
Industrial solid waste treatment services	197,293	24.54	293,516	30.23	-32.78	-5.69
Comprehensive resource utilization	48,087	5.98	45,610	4.70	5.43	1.28
Total	804,007	100.00	970,784	100.00	-17.18	-



4. MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, revenue of the Group was derived from three business segments, namely (i) industrial hazardous waste treatment services; (ii) industrial solid waste treatment services; and (iii) comprehensive resource utilization. With a breakdown by business streams:

- (i) Revenue from **industrial hazardous waste treatment services** was RMB558.63 million, representing a period-on-period decrease of 11.56%, of which:

Revenue from **general hazardous waste** was RMB469.12 million, representing a period-on-period decrease of 14.65%. The decrease in revenue was mainly attributable to the following reasons: firstly, the intensified market competition resulting in the decrease of prices in provinces such as Jiangxi, Guizhou, Hunan, Anhui and other provinces, as well as the decrease in emergency response business; and secondly, the additional time of shifting suspension of cement kilns, affecting the treatment of the hazardous waste from companies in Chongqing, Fuyang and Qianyang.

Revenue from **oil sludge treatment** was RMB42.86 million, representing a period-on-period increase of 6.38%. This was primarily due to the commencement of operation of the Qingyang project and the faster period-on-period growth of the Dongying project.

Revenue from **fly ash treatment** was RMB46.65 million, representing a period-on-period increase of 11.83%. This was primarily due to the commencement of operation of the Qianxian project.

- (ii) Revenue from **industrial solid waste treatment services** was RMB197.29 million, representing a period-on-period decrease of 32.78%. This was primarily due to the delays in the implementation of some intended orders for disposal of contaminated soil by the Group resulting in insufficient treatment volume.
- (iii) Revenue from **comprehensive resource utilization** was RMB48.09 million, representing a period-on-period increase of 5.43%. This was primarily due to the commencement of operation of alternative fuel business in Wuhu, Qingyuan and Chizhou.

4. MANAGEMENT DISCUSSION AND ANALYSIS

2. 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		Gross profit			
	Gross profit (RMB'000)	margin (%)	Gross profit (RMB'000)	margin (%)		
Industrial hazardous waste treatment services	254,677	45.59	330,025	52.25	-22.83	-6.66
General hazardous waste	228,307	48.67	306,739	55.81	-25.57	-7.14
Oil sludge	12,769	29.79	9,665	23.99	32.11	5.80
Fly ash	13,602	29.16	13,621	32.65	-0.14	-3.49
Industrial solid waste treatment services	90,597	45.92	150,896	51.41	-39.96	-5.49
Comprehensive resource utilization	14,377	29.90	5,436	11.92	164.48	17.98
Total	359,651	44.73	486,357	50.10	-26.05	-5.37

During the Reporting Period, the Group recorded a gross profit of RMB359.65 million, representing a period-on-period decrease of 26.05%. With a breakdown by business streams:

- (i) Gross profit margin for **industrial hazardous waste treatment services** was 45.59%, representing a period-on-period decrease of 6.66 percentage points, among which:

Gross profit margin for **general hazardous waste** was 48.67%, representing a period-on-period decrease of 7.14 percentage points, which was primarily due to intensified competition in the market, resulting in the decrease in price of hazardous waste treatment in Jiangxi, Guizhou, Hunan, Anhui and other provinces.

Gross profit margin for **oil sludge treatment** was 29.79%, representing a period-on-period increase of 5.8 percentage points, which was mainly due to the increase in intake as a result of the improvement in the treatment efficiency after the technical transformation of the oil sludge treatment companies, and cost dilution, which effectively improved the gross profit margin.



4. MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit margin for **fly ash treatment** was 29.16%, representing a period-on-period decrease of 3.49 percentage points.

- (ii) Gross profit margin for **industrial solid waste treatment services** was 45.92%, representing a period-on-period decrease of 5.49 percentage points, primarily due to the decrease in solid waste disposal prices and the decrease in revenue caused by the insufficient intake resulting from delay of implementation of the intended order for the Group's land remediation treatment.
- (iii) Gross profit margin for **comprehensive resource utilization** was 29.90%, representing a period-on-period increase of 17.98 percentage points, mainly due to alternative fuel projects in Wuhu and Chizhou being put into operation.

3. Other income

During the Reporting Period, the Group's other income amounted to RMB38.14 million, representing a period-on-period increase of RMB20.75 million, or 119.3%, primarily due to a period-on-period increase in government subsidies received.

4. Distribution costs

During the Reporting Period, the Group's distribution costs amounted to RMB72.74 million, basically flat period-on-period.

5. Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB148.79 million, representing a period-on-period increase of RMB21.4 million, or 16.8%, primarily due to the period-on-period increase in new projects put into operation and research and development expenses.

6. Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB52.8 million, representing a period-on-period increase of RMB3.13 million, or 6.31%. The increase in finance costs was primarily due to new bank loans raised by the Group.

7. Profit before taxation

During the Reporting Period, the Group's profit before taxation amounted to RMB108.97 million, representing a period-on-period decrease of RMB142.76 million, or 56.71%, and share of profits of associates amounted to RMB-2.79 million, representing a period-on-period decrease of RMB4.99 million.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(II) FINANCIAL POSITION

As at the end of the Reporting Period, the Group's total assets amounted to RMB9,679.29 million, representing an increase of RMB267.02 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB3,025.13 million, representing an increase of RMB32.1 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 61.22%, representing a decrease of 0.64 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	7,283,476	7,057,252	3.21
Non-current assets	8,216,892	8,003,394	2.67
Current assets	1,462,393	1,408,874	3.80
Non-current liabilities	2,992,521	3,025,752	-1.10
Current liabilities	2,933,165	2,676,326	9.60
Net current liabilities	1,470,772	1,267,452	16.04
Equity attributable to equity shareholders of the Company	3,025,134	2,993,037	1.07
Total assets	9,679,285	9,412,268	2.84
Total liabilities	5,925,686	5,702,078	3.92



4. MANAGEMENT DISCUSSION AND ANALYSIS

1. Non-current assets and current assets

As at the end of the Reporting Period, non-current assets of the Group amounted to RMB8,216.89 million, representing an increase of 2.67% as compared to the end of the previous year, primarily due to the increase in property, plant and equipment.

As at the end of the Reporting Period, current assets of the Group amounted to RMB1,462.39 million, representing an increase of 3.8% as compared to the end of the previous year, primarily due to the increase in bank deposits.

2. Non-current liabilities and current liabilities

As at the end of the Reporting Period, non-current liabilities of the Group amounted to RMB2,992.52 million, representing a decrease of 1.1% as compared to the end of the previous year, primarily due to the increase in long-term borrowings due within one year of the Group which were reclassified as current liabilities during the Reporting Period.

As at the end of the Reporting Period, current liabilities of the Group amounted to RMB2,933.17 million, representing an increase of 9.6% as compared to the end of the previous year, primarily due to the increase in long-term borrowings due within one year of the Group during the Reporting Period.

As at the end of the Reporting Period, current ratio of the Group was 0.5 (compared to 0.53 at the end of the previous year) and debt to equity ratio (calculated by dividing total amount of loans by total equity) was 1.5 (compared to 1.15 at the end of the previous year).

3. Net current liabilities

As at the end of the Reporting Period, the Group's net current liabilities amounted to RMB1,470.77 million, representing an increase of RMB203.32 million as compared to the end of the previous year, mainly due to the increase in long-term borrowings due within one year of the Group. To address liquidity risk, the Group actively expanded fund-raising channels. In August 2024, the Group issued the 2024 first tranche green medium-term notes in the PRC, amounting to RMB1.5 billion with coupon rate of 2.13%, which was mainly used to replace borrowings, in order to optimize capital structure.

4. Equity attributable to equity shareholders of the Company

As at the end of the Reporting Period, the Group's equity attributable to equity shareholders of the Company amounted to RMB3,025.13 million, representing an increase of 1.07% as compared to the end of the previous year, primarily due to the increase in net profit attributable to the equity shareholders of the Group and the distribution of dividends.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(III) LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, the Group improved the returns on its stock capital, enhanced capital planning and management and conducted reasonable allocation of project loans, so as to fully satisfy the Company's capital needs. As at the end of the Reporting Period, the Group's cash and cash equivalents amounted to RMB348.52 million, which were mainly denominated in RMB.

1. Loans and borrowings

Item	As at 30 June 2024 (RMB'000)	As at 31 December 2023 (RMB'000)
Due within one year	1,582,639	1,277,159
Due after one year but within two years	1,210,050	1,218,512
Due after two years but within five years	1,332,598	1,364,472
Due after five years	406,594	397,847
Total	4,531,881	4,257,990

As at the end of the Reporting Period, the balance of loans and borrowings of the Group amounted to RMB4,531.88 million, representing an increase of RMB273.89 million as compared to the end of the previous year, primarily due to the increase in bank loans acquired by the Group for project development during the Reporting Period. As at 30 June 2024, the Group's loans and borrowings were denominated in RMB, and most of the loan interests were subject to variable interest rate.



4. MANAGEMENT DISCUSSION AND ANALYSIS

2. Cash flows

As at the end of the Reporting Period, the Group's balance of cash and cash equivalents was RMB348.52 million, representing a period-on-period increase of RMB27.1 million.

Item	January to June 2024 (RMB'000)	January to June 2023 (RMB'000)
Net cash generated from operating activities	245,532	278,095
Net cash used in investing activities	-338,397	-470,463
Net cash generated from financing activities	195,133	240,728
Net increase in cash and cash equivalents	102,268	48,360
Cash and cash equivalents at the beginning of the period	246,254	273,058
Cash and cash equivalents at the end of the period	348,522	321,418

Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB245.53 million, representing a period-on-period decrease of RMB32.56 million, which was mainly due to the increase in procurement payment as a result of business development.

Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB338.4 million, representing a period-on-period decrease of RMB132.07 million, primarily due to the decrease in payment for purchase of property, plant and equipment and construction in progress.

Net cash generated from financing activities

During the Reporting Period, net cash generated from financing activities of the Group amounted to RMB195.13 million, representing a period-on-period decrease of RMB45.6 million, primarily due to a decrease in the net amount of loans obtained and an increase in repayment of loans during the Reporting Period as compared with the corresponding period.

4. MANAGEMENT DISCUSSION AND ANALYSIS

(IV) COMMITMENTS

As at the end of the Reporting Period, purchase commitments of the Group in connection with construction contracts were as follows:

Item	As at 30 June 2024 (RMB'000)	As at 30 June 2023 (RMB'000)
Contracted for	153,272	508,872
Authorized but not contracted for	184,075	441,181
Total	337,347	950,053

(V) FOREIGN EXCHANGE RISK

The Group's functional currency is RMB. Foreign exchange risks faced by the Group were mainly derived from account payables arising from 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.

The Group did not use any financial instruments to hedge against any foreign exchange risks.

(VI) CONTINGENT LIABILITIES

As at the end of the Reporting Period, the Group had no material contingent liabilities.

(VII) PLEDGE OF ASSETS

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB42,143,000 (31 December 2023: RMB44,286,000) were secured by right-of-use assets provided by 洛陽海中環保科技有限責任公司 (Luoyang Haizhong Environmental Protection Technology Co., Ltd.*), a subsidiary of the Group.

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB50,000,000 (31 December 2023: RMB0) were secured by right-of-use assets provided by 忠縣海螺環保科技有限責任公司 (Zhong County Conch Environmental Protection Technology Co., Ltd.*), a subsidiary of the Group.

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB22,970,000 (31 December 2023: RMB23,206,000) were secured by plant provided by 寧海馨源泰環保科技有限責任公司 (Ninghai Xinyuntai Environmental Protection Technology Co.,Ltd.*), a subsidiary of the Group.



4. MANAGEMENT DISCUSSION AND ANALYSIS

(VIII) MATERIAL INVESTMENTS

During the Reporting Period, the Group did not have any material investments.

(IX) FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS ACQUISITION

During the Reporting Period, the Board has not approved any plans for material investment or capital asset acquisition.

(X) MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

(XI) HUMAN RESOURCES

During the Reporting Period, the Group attached great importance to human resources management and continued to improve and optimise the system, and regularly launched professional business training for employees in various positions to enhance their comprehensive vocational skills. During the Reporting Period, the Group organised professional knowledge and skills training in production safety, process technology, marketing business, financial and internal control, etc., and arranged internal and external declaration and assessment of middle and senior level professions in the engineering division, electrical and mechanical division, chemical division and environmental division, so as to promote professional training and skills enhancement of the Group's professional talent team.

As at the end of the Reporting Period, the Group had 3,423 (31 December 2023: 3,539) employees. The remuneration of employees is determined by qualifications, experience, work performance and market conditions. As required by the China's 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 RMB191.95 million (30 June 2023: approximately RMB170.51 million).

5. OTHER INFORMATION

(I) INTERIM DIVIDEND

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

(II) DISCLOSURE OF INTERESTS

1. Substantial Shareholders' Interests or Short Positions

As at the end of the Reporting Period, as 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	Long/short positions	Approximate percentage of shareholdings
Conch Venture	Beneficial owner	13,900,000	Long positions	0.76%
	Interest of controlled corporation (note 1)	483,462,011	Long positions	26.47%
	Subtotal	497,362,011		27.23%
China Conch Venture Holdings International Limited	Interest of controlled corporation (note 1)	483,462,011	Long positions	26.47%
Conch Cement	Beneficial owner	101,389,500	Long positions	5.55%
	Interest of controlled corporation (note 2)	286,134,000	Long positions	15.66%
	Interests held jointly with another person (note 3)	95,938,511	Long positions	5.25%
	Subtotal	483,462,011		26.47%



5. OTHER INFORMATION

Name of shareholders	Nature of interests	Number of shares	Long/short positions	Approximate percentage of shareholdings
Conch International Holdings (HK) limited	Beneficial owner	286,134,000	Long positions	15.66%
Conch Holdings	Interest of controlled corporation (note 1)	483,462,011	Long positions	26.47%
Wuhu Conch Venture Property Co., Ltd.	Interest of controlled corporation (note 1)	483,462,011	Long positions	26.47%
SA Conch	Interest of controlled corporation (note 4)	109,178,000	Long positions	5.98%
CV Group	Interest of controlled corporation (note 5)	109,178,000	Long positions	5.98%
Qi Shengli	Beneficial owner	9,412,500	Long positions	0.52%
	Interests held jointly with another person (note 3)	474,049,511	Long positions	25.95%
	Subtotal	483,462,011		26.47%
Guo Dan	Interest of controlled corporation (note 6)	32,725,000	Long positions	1.79%
	Interests held jointly with another person (note 3)	450,737,011	Long positions	24.67%
	Subtotal	483,462,011		26.47%

5. OTHER INFORMATION

Name of shareholders	Nature of interests	Number of shares	Long/short positions	Approximate percentage of shareholdings
Yan Zi	Interest of controlled corporation (note 7)	35,033,752	Long positions	1.92%
	Interests held jointly with another person (note 3)	448,428,259	Long positions	24.55%
	Subtotal	483,462,011		26.47%
Ji Xian	Interest of controlled corporation (note 8)	10,080,000	Long positions	0.55%
	Interests held jointly with another person (note 3)	473,382,011	Long positions	25.91%
	Subtotal	483,462,011		26.47%
Wang Jingqian	Beneficial owner	1,930,000	Long positions	0.11%
	Interests held jointly with another person (note 3)	481,532,011	Long positions	26.36%
	Subtotal	483,462,011		26.47%



5. OTHER INFORMATION

Notes:

1. Among the above Shares, (i) 197,328,011 Shares are owned by Conch Cement and its Parties Acting in Concert; and (ii) 286,134,000 Shares are owned by Conch International Holdings (HK) Limited which is a wholly owned subsidiary of Conch Cement. Conch Holdings is the holding company of Conch Cement. As 49% of the issued share capital of Conch Holdings is held by Wuhu Conch Venture Property Co., Ltd., Wuhu Conch Venture Property Co., Ltd. is wholly owned by China Conch Venture Holdings International Limited, and China Conch Venture Holdings International Limited is ultimately wholly owned by Conch Venture. By virtue of the SFO, Conch Holdings, Wuhu Conch Venture Property Co., Ltd., China Conch Venture Holdings International Limited and Conch Venture are respectively deemed to be interested in the Shares in which Conch Cement and its Parties Acting in Concert and Conch International Holdings (HK) Limited are interested.
2. 286,134,000 Shares are held by Conch International Holdings (HK) Limited, which is a wholly-owned subsidiary of Conch Cement. Accordingly, by virtue of the SFO, Conch Cement is deemed to be interested in the Shares in which Conch International Holdings (HK) Limited is interested.
3. By virtue of the SFO, Conch Cement and its Parties Acting in Concert are respectively deemed to be interested in the Shares in which Conch Cement and its Parties Acting in Concert are interested, namely (i) 387,523,500 Shares held by Conch Cement and its wholly-owned subsidiary Conch International Holdings (HK) Limited, (ii) 9,412,500 Shares held by Qi Shengli, (iii) 2,050,000 Shares held by Li Qunfeng, (iv) 2,166,132 Shares held by Li Xiaobo, (v) 32,725,000 Shares held by Guo Dan, (vi) 35,033,752 Shares held by Yan Zi, (vii) 10,080,000 Shares held by JiXian, (viii) 2,541,127 Shares held by Ma Wei and (ix) 1,930,000 Shares held by Wang Jingqian.
4. Among the above Shares, 98,039,000 Shares, 5,943,000 Shares and 5,196,000 Shares are owned respectively by (i) Conch Venture Holdings (Zhuhai) Co., Ltd.* (海螺創投控股(珠海)有限公司) (“**CV Holdings Zhuhai**”), (ii) Anhui Conch Venture Medical Investment Management Co., Ltd.* (安徽海螺創業醫療投資管理有限責任公司) (“**CV Medical**”) and (iii) Conch Venture International Limited* (海螺創業國際有限公司) (“**CVI**”), all of which are wholly owned by CV Group. CV Group is deemed to be interested in the Shares in which CV Holdings (Zhuhai), CV Medical and CVI are interested by virtue of the SFO. As 82.93% of CV Group’s registered capital is held by SA Conch, SA Conch is deemed to be interested in the Shares in which CV Group is interested by virtue of the SFO.
5. Among these Shares, 98,039,000 Shares, 5,943,000 Shares and 5,196,000 Shares are owned by CV Holdings (Zhuhai), CV Medical and CVI, respectively. CV Group is deemed to be interested in the Shares in which CV Holdings (Zhuhai), CV Medical and CVI are interested by virtue of the SFO.
6. These Shares are owned by Dazzling Star Investments Limited. Dazzling Star Investments Limited is wholly owned by Guo Dan. Guo Dan is deemed to be interested in the Shares held by Dazzling Star Investments Limited by virtue of the SFO.
7. These Shares are owned by Fortune Gold Limited. Fortune Gold Limited is wholly owned by Yan Zi. Yan Zi is deemed to be interested in the Shares held by Fortune Gold Limited by virtue of the SFO.
8. These Shares are owned by Golden Convergence Limited. Golden Convergence Limited is wholly owned by Ji Xian. Ji Xian is deemed to be interested in the Shares held by Golden Convergence Limited by virtue of the SFO.

According to Section 336 of the SFO, shareholders are required to file disclosure of interest forms when certain criteria are fulfilled. When the shareholdings of the substantial shareholders in the Company change, it is not necessary for the substantial shareholders to notify the Company and/or the Stock Exchange unless certain criteria are fulfilled. Therefore, the latest shareholdings of the substantial shareholders in the Company may be different from the shareholdings filed with the Stock Exchange.

5. OTHER INFORMATION

Save as disclosed above and in the section headed “Directors’ and Chief Executive’s Interests and Short Positions” below, at the end of Reporting Period, the Directors were not aware of any other persons, other than Directors and chief executive of the Company, who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register of substantial shareholders required to be kept by the Company pursuant to Section 336 of the SFO.

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

As at the end of the Reporting Period, 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 which they have taken, or are deemed to have taken, 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 were set out below:

The Company

Directors	Nature of interests	Number of shares	Long/short positions	Approximate percentage of shareholdings
Mr. Li Qunfeng (note 1)	Beneficial owner	2,050,000	Long positions	0.11%
	Interests held jointly with another person	481,412,011	Long positions	26.35%
	Subtotal	483,462,011		26.47%
Mr. Li Xiaobo (notes 1 and 3)	Beneficial owner	2,166,132	Long positions	0.12%
	Interests held jointly with another person	481,295,879	Long positions	26.35%
	Subtotal	483,462,011		26.47%
Mr. Ma Wei (note 1)	Beneficial owner	2,541,127	Long positions	0.14%
	Interests held jointly with another person	480,920,884	Long positions	26.33%
	Subtotal	483,462,011		26.47%
Ms. Liao Dan (note 2)	Interest of spouse	483,462,011	Long positions	26.47%



5. OTHER INFORMATION

Notes:

- Mr. Li Qunfeng, Mr. Li Xiaobo and Mr. Ma Wei are Parties Acting in Concert. Accordingly, Mr. Li Qunfeng, Mr. Li Xiaobo and Mr. Ma Wei are deemed to be interested in the Shares in which (i) Conch Cement and its wholly owned subsidiary Conch International Holdings (HK) Limited hold 387,523,500 Shares in aggregate, (ii) Qi Shengli holds 9,412,500 Shares, (iii) Li Qunfeng holds 2,050,000 Shares, (iv) Li Xiaobo holds 2,166,132 Shares, (v) Guo Dan holds 32,725,000 Shares, (vi) Yan Zi holds 35,033,752 Shares, (vii) Ji Xian holds 10,080,000 Shares, (viii) Ma Wei holds 2,541,127 Shares and (ix) Wang Jingqian holds 1,930,000 Shares are interested.
- Ms. Liao Dan is deemed to be interested in the Shares held by Mr. Wang Jingqian, the spouse of Ms. Liao Dan and one of the Parties Acting in Concert. Mr. Wang Jingqian is deemed to be interested in the Shares in which (i) Conch Cement and its wholly owned subsidiary Conch International Holdings (HK) Limited hold 387,523,500 Shares in aggregate, (ii) Qi Shengli holds 9,412,500 Shares, (iii) Li Qunfeng holds 2,050,000 Shares, (iv) Li Xiaobo holds 2,166,132 Shares, (v) Guo Dan holds 32,725,000 Shares, (vi) Yan Zi holds 35,033,752 Shares, (vii) Ji Xian holds 10,080,000 Shares, (viii) Ma Wei holds 2,541,127 Shares and (ix) Wang Jingqian holds 1,930,000 Shares are interested.
- Mr. Li Xiaobo resigned as a Director and general manager of the Company on 29 August 2024 and sent a letter of notification on the termination of its Parties Acting in Concert relationship to Conch Cement on the same day, pursuant to which all obligations in the letter of undertaking signed and given by Mr. Li Xiaobo to Conch Cement in respect of the exercise of voting rights over the shares of the Company and all undertakings to Conch Cement shall be terminated and discharged in full with effect from 29 August 2024, and Mr. Li Xiaobo will vote on his personal preference and will no longer act in concert with Conch Cement in exercising his voting rights in respect of any matter at the general meetings of the Company. By virtue of the SFO, Mr. Li Xiaobo ceased to be a party acting in concert with Conch Cement and the interests in the shares of the Company held by Conch Cement and the Parties Acting in Concert were no longer deemed to be interests in the shares of the Company held by Mr. Li Xiaobo.

Associated corporation of the Company

Name of Director/ chief executive	Name of associated corporation	Nature of interests	Number of shares	Long/short positions	Approximate percentage of shareholdings	Approximate total percentage of shareholdings
Mr. Li Xiaobo (resigned as a Director on 29 August 2024)	Conch Cement	Beneficial owner	193,000 (A shares)	Long positions	0.00%	0.00%

Save as disclosed above, as at the end of the Reporting Period, there were no interests and short positions of the Directors and chief executive of the Company 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 which they have taken, or are deemed to have taken, 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, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined in the Listing Rules)).

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

(IV) CHANGE IN DIRECTORS AND DIRECTORS' INFORMATION

During the Reporting Period, details of changes in information of Directors were as follows:

Mr. Fan Zhan was appointed as the executive deputy head of the financial department of Conch Cement with effect from 29 April 2024.

Subsequent to the Reporting Period, changes in Directors were as follows:

Mr. Li Xiaobo has resigned as the executive Director and general manager of the Company due to personal work arrangement, and ceased to be a member of Strategy, Sustainability and Risk Management Committee, an authorized representative as required under Rule 3.05 of the Listing Rules and an authorized representative for accepting service of process and notices on behalf of the Company in Hong Kong as required under Rule 19.05(2) of the Listing Rules, with effect from 29 August 2024.

Mr. Wang Chunjian has been appointed as the executive Director and general manager of the Company and a member of the Strategy, Sustainability and Risk Management Committee, an authorized representative as required under Rule 3.05 of the Listing Rules and an authorized representative for accepting service of process and notices on behalf of the Company in Hong Kong as required under Rule 19.05(2) of the Listing Rules, with effect from 29 August 2024.

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

(V) SHARE SCHEME

The Company had no share scheme within the meaning of Chapter 17 of the Listing Rules since its inception.

(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.



5. OTHER INFORMATION

The Company has adopted the Corporate Governance 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 of the Corporate Governance Code, and operated in a standardised manner. The Company has further 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 Corporate Governance Code.

(VII) MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as the code for dealing in securities of the Company by the Directors. Having made specific enquiries by the Company, all Directors confirmed that they complied with requirements of the Model Code during the Reporting Period.

(VIII) AUDIT COMMITTEE

As at the end of the Reporting Period, the Audit Committee comprises Mr. Ding Wenjiang, Ms. Wang Jiafen and Ms. Li Chen, being the independent non-executive Directors. Ms. Wang Jiafen is the chairlady of the Audit Committee. The primary duties of the Audit Committee of the Company are to make recommendations to the Board on the appointment and dismissal of the external auditor; to review the financial statements report and information; to provide advice and oversight in respect of financial reporting; and to 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 the Company clearly defines the duties and rules of the Audit 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 treatment methods adopted by the Company.

5. OTHER INFORMATION

(IX) REMUNERATION AND NOMINATION COMMITTEE

As at the end of the Reporting Period, the Remuneration and Nomination Committee comprises Mr. Li Qunfeng (Chairman of the Board and a non-executive Director), Mr. Ding Wenjiang, Ms. Wang Jiafen and Ms. Li Chen (independent non-executive Directors). Mr. Ding Wenjiang is the chairman of the Remuneration and Nomination Committee. The primary functions of the Remuneration and Nomination Committee are to make recommendation to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of the Group; to make recommendation to the Board on the remuneration packages for each of the executive Directors and senior management; to review performance-based remuneration and ensure none of the Directors participate in deciding their own remuneration; to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually; to make recommendation to the Board on any proposed changes to the Board to complement the Company's corporate strategy; to identify and select individuals suitably qualified as potential Board members or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of independent non-executive Directors; and to 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; and to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The Terms of Reference of the Remuneration and Nomination Committee of the Board of the Company clearly defines the duties and rules of the Remuneration and Nomination Committee.

The Remuneration and Nomination Committee of the Company has established the Board diversity policy, whereby setting forth principles adopted to realize the Board diversity.

(X) STRATEGY, SUSTAINABILITY AND RISK MANAGEMENT COMMITTEE

As at the end of the Reporting Period, the Strategy, Sustainability and Risk Management Committee comprises Mr. Li Qunfeng (Chairman of the Board and a non-executive Director), Mr. Li Xiaobo (an executive Director and General Manager), Mr. Jiang Dehong (a non-executive Director) and Mr. Ding Wenjiang (an independent non-executive Director). Mr. Li Qunfeng 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 the sustainable development, monitoring and reviewing the implementation of strategic development plans and policies related to sustainable development, overseeing and reviewing the risk management and internal control and 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 the Company clearly defines the duties and rules of the Strategy, Sustainability and Risk Management Committee.



5. OTHER INFORMATION

(XI) PROPERTY, PLANT AND EQUIPMENT

As at the end of the Reporting Period, the property, plant and equipment of the Group amounted to approximately RMB7,283.47 million. Details of the changes in property, plant and equipment of the Group during the Reporting Period are set out in note 9 to the financial statements. As disclosed on pages 179 to 186 of the Listing Document of the Company, as of the latest practicable date (i.e. 13 March 2022), we had not obtained the land use right certificates for the land occupied by eight properties with a total gross floor area of 39,133.8 square meters (the “**Relevant Lands**”). Details of the Relevant Lands, including but not limited to the use, reasons for non-compliance, rectification status and expected time to obtain the real property ownership certificates, are disclosed in the table on pages 179 to 182 of the Listing Document.

- (1) Progress of Property No. 2: The Group obtained the land use right certificate for Property No. 2 among the Relevant Lands on 23 March 2022, which has a gross site area of 27,229 sq.m., for a term commencing from 7 June 2022 to 7 June 2072. The Group also obtained the real property ownership certificate of the property on 9 October 2023, which has a gross floor area of 8,659.74 sq.m..
- (2) Progress of Property No. 3 and Property No. 4: In view of the delay in the completion of review and approval procedure of change in the land use right for the competent governmental authority, the Group expects that the expected time to obtain the land use right certificates for Property No. 3 and No. 4 among the Relevant Lands will be further adjusted from May 2024 to December 2024 or before.

5. OTHER INFORMATION

- (3) Progress of Property No. 5: The Group obtained the land use right certificate for Property No. 5 among the Relevant Lands on 19 September 2022, whose gross site area was adjusted from 27,240 sq.m. to 123,969 sq.m. due to the expansion and new construction of the project, for a term commencing from 19 September 2022 to 25 November 2071 with an estimated gross floor area of 60,293 sq.m.. In view of the expansion and new construction of the project, and additional time required for the local government to complete the internal administrative procedures, the Group expects that the expected time to obtain the real property ownership certificate of the property will be further adjusted from December 2024 to December 2025 or before.
- (4) Progress of Property No. 6 and Property No. 7: In view of the fact that the cement company supplier is in the process of fulfilling the business decision-making procedures for granting the transfer of the relevant land use rights, the Group expects that the expected time to obtain the land use right certificates for Property No. 6 and No. 7 among the Relevant Lands will be further adjusted from June 2024 to December 2025 or before.
- (5) Progress of Property No. 8: The Group obtained the land use right certificate for Property No. 8 among the Relevant Lands on 24 June 2022, which has a gross site area of 10,636.19 sq.m., for a term commencing from 17 January 2011 to 16 January 2061 with an estimated gross floor area of 3,456 sq.m.. In view of the delay in the completion of project completion examination, the Group expects that the expected time to obtain the real property ownership certificate of the property will be further adjusted from December 2024 to December 2025 or before.

As of the end of the Reporting Period, there is no update on the remaining properties as compared to the disclosure in the Listing Document. The Company will take proactive actions to obtain land use right certificates of the Relevant Lands and to obtain the real property ownership certificates of the seven properties on the Relevant Lands.

(XII) MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

From 5 to 6 August 2024, 安徽海螺環保集團有限公司 (Anhui Conch Environment Group Co., Ltd.*), a subsidiary of the Company, issued the 2024 first tranche green medium-term notes (the “**Medium-term Notes**”) in the PRC, with a term of 5 years, and the actual total issued amount of the Medium-term Notes was RMB1.5 billion, with a coupon rate of 2.13%. For details of the issuance of the Medium-term Notes, please refer to the announcement of the Company dated 7 August 2024.

Save as mentioned above, since 30 June 2024 and up to the date of this report, there has been no material event affecting the Company and its subsidiaries that require to be disclosed.

On behalf of the Board

China Conch Environment Protection Holdings Limited

LI Qunfeng

Chairman

Anhui Province, the PRC, 27 August 2024

* 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
Revenue	4	804,007	970,784
Cost of sales		(444,356)	(484,427)
Gross profit		359,651	486,357
Other income	5	38,143	17,392
Distribution costs		(72,735)	(72,812)
Administrative expenses		(148,790)	(127,394)
Impairment loss on trade and bills receivables	6(b)	(11,710)	(4,344)
Profit from operations		164,559	299,199
Finance costs	6(a)	(52,804)	(49,670)
Share of profits less losses of associates	10	(2,787)	2,200
Profit before taxation	6	108,968	251,729
Income tax	7	(16,664)	(27,290)
Profit for the period		92,304	224,439
Attributable to:			
Equity shareholders of the Company		82,141	200,020
Non-controlling interests		10,163	24,419
Profit for the period		92,304	224,439
Earnings per share	8		
— Basic (RMB)		0.04	0.11
— Diluted (RMB)		0.04	0.11

The accompanying notes form part of 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
Profit for the period		92,304	224,439
Other comprehensive income for the period (after tax and reclassification adjustments)		—	—
Total comprehensive income for the period		92,304	224,439
Attributable to:			
Equity shareholders of the Company		82,141	200,020
Non-controlling interests		10,163	24,419
Total comprehensive income for the period		92,304	224,439

The accompanying notes form part of 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
Non-current assets			
Property, plant and equipment	9	7,283,476	7,057,252
Right-of-use assets	9	307,412	298,214
Intangible assets	9	139,986	139,463
Goodwill		10,254	10,254
Interests in associates	10	78,072	72,860
Non-current portion of trade and other receivables	11	384,126	414,360
Deferred tax assets		13,566	10,991
		8,216,892	8,003,394
Current assets			
Inventories		48,174	31,465
Trade and other receivables	11	1,039,703	1,042,136
Financial assets measured at fair value through profit or loss ("FVPL")	16	–	45,000
Restricted bank deposits	12	25,994	39,975
Bank deposits with original maturity over three months	12	–	4,044
Cash and cash equivalents	12	348,522	246,254
		1,462,393	1,408,874
Current liabilities			
Loans and borrowings	13	1,582,639	1,277,159
Trade and other payables	14	1,323,608	1,378,744
Contract liabilities		15,647	13,621
Lease liabilities		542	1,144
Income tax payables		10,729	5,658
		2,933,165	2,676,326
Net current liabilities		(1,470,772)	(1,267,452)
Total assets less current liabilities		6,746,120	6,735,942

The accompanying notes form part of 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
Non-current liabilities			
Loans and borrowings	13	2,949,242	2,980,831
Lease liabilities		6,517	6,709
Deferred tax liabilities		36,762	38,212
		2,992,521	3,025,752
Net assets		3,753,599	3,710,190
Capital and reserves	15		
Share capital		14,837	14,837
Reserves		3,010,297	2,978,200
Equity attributable to equity shareholders of the Company		3,025,134	2,993,037
Non-controlling interests		728,465	717,153
Total equity		3,753,599	3,710,190

The accompanying notes form part of interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

Note	Attributable to equity shareholders of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	PRC statutory reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000		
Balance at 1 January 2023	14837	1,184,167	(156,918)	248,073	1,438,748	2,728,907	658,727	3,387,634
Changes in equity for the six months ended 30 June 2023:								
Profit for the period	-	-	-	-	200,020	200,020	24,419	224,439
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	200,020	200,020	24,419	224,439
Non-controlling interests arising from capital injection into subsidiaries	-	-	-	-	-	-	5,409	5,409
Deemed contribution from non-controlling interests	-	-	-	-	-	-	5,724	5,724
Profit distribution to non-controlling interests	-	-	-	-	-	-	(1,564)	(1,564)
Balance at 30 June 2023	14,837	1,184,167	(156,918)	248,073	1,638,768	2,928,927	692,715	3,621,642

The accompanying notes form part of interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

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

Note	Attributable to equity shareholders of the Company						Non-controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Share premium RMB'000	Capital reserves RMB'000	PRC statutory reserves RMB'000	Retained earnings RMB'000	Sub-total RMB'000		
Balance at 1 January 2024	14,837	1,184,167	(156,918)	278,937	1,672,014	2,993,037	717,153	3,710,190
Changes in equity for the six months ended 30 June 2024:								
Profit for the period	-	-	-	-	82,141	82,141	10,163	92,304
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	82,141	82,141	10,163	92,304
Capital contribution by non-controlling interests	-	-	-	-	-	-	1,149	1,149
Dividends approved in respect of the previous years	-	-	-	-	(50,044)	(50,044)	-	(50,044)
Balance at 30 June 2024	14,837	1,184,167	(156,918)	278,937	1,704,111	3,025,134	728,465	3,753,599

The accompanying notes form part of the interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

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
Operating activities:			
Cash generated from operations		261,150	302,560
Tax paid		(15,618)	(25,465)
Net cash generated from operating activities		245,532	278,095
Investing activities:			
Payment for purchase of property, plant and equipment, construction in progress and intangible assets		(366,693)	(454,853)
Proceeds from disposal of property, plant and equipment		97	–
Payment for purchase of right-of-use assets		(15,110)	(12,332)
Proceeds from maturity of bank deposits over three months		4,044	–
Proceeds from maturity of financial assets measured at FVPL		45,000	–
Payment for investments in associates		(8,000)	–
Other cash flows arising from/(used in) investing activities		2,265	(3,278)
Net cash used in investing activities		(338,397)	(470,463)
Financing activities:			
Proceeds from loans and borrowings		779,448	733,434
Repayment of loans and borrowings		(505,557)	(412,739)
Profit distribution to non-controlling interests		–	(13,151)
Interest paid		(78,340)	(71,212)
Capital contribution from non-controlling interests		1,149	5,409
Other cash flows used in financing activities		(1,567)	(1,013)
Net cash generated from financing activities		195,133	240,728
Net increase in cash and cash equivalents		102,268	48,360
Cash and cash equivalents at 1 January		246,254	273,058
Cash and cash equivalents at 30 June		348,522	321,418

The accompanying notes form part of interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

1 GENERAL INFORMATION

China Conch Environment Protection 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 30 March 2022 (the “Listing”).

The Company and its subsidiaries (together the “Group”) are principally provide treatment solutions for industrial solid waste and hazardous waste utilizing cement kiln waste treatment technologies in the People’s Republic of China (the “PRC”).

2 BASIS OF PREPARATION

This interim financial report has 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 issue 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 Interim Financial Information 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 a full set of financial statements prepared in accordance with IFRSs.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

2 BASIS OF PREPARATION *(Continued)*

The company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

The Interim Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB1,470,772,000 as at 30 June 2024. The directors have reviewed the current financial performance and working capital forecast as part of their assessment of the Group's ability to continue as a going concern, and after carefully considering the matters described below, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least the next twelve months from 30 June 2024 to meet its obligations, as and when they fall due, having regard to the following:

- (1) the Group generated net cash inflows from operating activities of approximately RMB245.53 million during the six-month period ended 30 June 2024 and expects to continue to improve its working capital management and generate positive operating cash flows for the next twelve months.
- (2) the Group has the ability to obtain new banking and other financing facilities, borrowings and has the ability to renew or refinance the banking facilities upon maturity and obtain other borrowings. As at the date of this report, the Group had available unutilised banking facilities of RMB4.21 billion.
- (3) Anhui Conch Environment Group Co., Ltd. ("Conch Environment Group"), a subsidiary of the Company, has received the approval of registration from National Association of Financial Market Institutional Investors (Zhong Shi Xie Zhu [2024] GN13) for issuing unsecured medium term notes in the aggregate amount of not more than RMB3.0 billion (the "Medium-term Notes") with a validity period of two years from 25 July 2024, the completion of registration date. From 5 to 6 August 2024, the first batch of RMB1.5 billion of the Medium-term Notes has been issued. The notes issuance proceeds of RMB1.35 billion will be utilised to repay the interest-bearing loans of Conch Environment Group and its subsidiaries.

Consequently, the directors have concluded that the Group has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

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 unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES

The group has applied the following new and amended IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IFRS 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*

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IAS 1, *Presentation of financial statements* (“2020 and 2022 amendments”, or collectively the “IAS 1 amendments”)

The IAS 1 amendments impact the classification of a liability as current or non-current, and are applied retrospectively as a package.

The 2020 amendments primarily clarify the classification of a liability that can be settled in its own equity instruments. If the terms of a liability could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments and that conversion option is accounted for as an equity instrument, these terms do not affect the classification of the liability as current or non-current. Otherwise, the transfer of equity instruments would constitute settlement of the liability and impact classification.

The 2022 amendments specify that conditions with which an entity must comply after the reporting date do not affect the classification of a liability as current or non-current. However, the entity is required to disclose information about non-current liabilities subject to such conditions in a full set of financial statements.

Upon the adoption of the amendments, the group has reassessed the classification of its liabilities as current or non-current and did not identify any reclassification to be made.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

3 CHANGES IN ACCOUNTING POLICIES *(Continued)*

Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback

The amendments clarify how an entity accounts for a sale and leaseback after the date of the transaction. The amendments require the seller-lessee to apply the general requirements for subsequent accounting of the lease liability in such a way that it does not recognise any gain or loss relating to the right of use it retains. A seller-lessee is required to apply the amendments retrospectively to sale and leaseback transactions entered into after the date of initial application. The amendments do not have a material impact on these financial statements as the group has not entered into any sale and leaseback transactions.

Amendments to IAS 7, Statement of cash flows and IFRS 7, Financial instruments: Disclosures – Supplier finance arrangements

The amendments introduce new disclosure requirements to enhance transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. Since those disclosures are not required for any interim period presented within the annual reporting period in which the amendments are initially applied, the group has not made additional disclosures in this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of treatment solutions for industrial solid waste and hazardous waste.

(i) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by each significant category for the six months ended 30 June 2024 and 30 June 2023 recognised in the consolidated statements of profit or loss are as follows:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Revenue from contracts with customers within the scope of IFRS15, all recognised over time		
Solid and hazardous waste solutions		
— Industrial solid waste	197,293	293,516
— General hazardous waste	469,119	549,652
— Oil sludge	42,861	40,292
— Fly ash	46,647	41,713
	755,920	925,173
Revenue from contracts with customers within the scope of IFRS15, recognised at point in time		
Solid and hazardous waste solutions		
— Comprehensive resource utilization	48,087	45,611
	804,007	970,784

For the six months ended 30 June 2024, there was no customer from which revenue accounted for 10% or more of the Group's revenue.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING *(Continued)*

(b) Segment reporting

(i) Services from which reportable segments derive their revenue

Information reported to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance is more focused on the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance on solid and hazardous waste solutions. Resources are allocated based on what is beneficial for the Group in enhancing its solid and hazardous waste solutions activities as a whole rather than any specific service. Performance assessment is based on the results of the Group as a whole. Therefore, management considers there is only one operating segment under the requirements of IFRS 8, Operating segments.

(ii) Geographic information

The geographical location of revenue is based on the selling location. All of the Group's revenue from external customers is from the PRC. The geographical location of the specified non-current assets (primarily property, plant and equipment, right-of-use assets, intangible assets, goodwill, interests in associates) is based on the physical location of the assets, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets and goodwill, and the location of operations, in the case of interests in associates. During the Relevant Periods, substantially all of the Group's specified non-current assets are physically located in the PRC.

5 OTHER INCOME

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest income on bank deposits	2,279	2,678
Government grants (i)	28,278	14,677
Others	7,586	37
	38,143	17,392

- (i) Government grants mainly represented subsidies received from local government authorities for encouraging the Group's development in the solid waste solutions in the respective PRC cities.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

6 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Interest on loans and borrowings	77,943	75,772
Interest on lease liabilities	144	158
Total interest expense on financial liabilities not at fair value through profit or loss	78,087	75,930
*Less: interest expense capitalised in construction in progress	(25,283)	(26,260)
	52,804	49,670

* The borrowing costs were capitalised at rates of 2.66% – 4.65% per annum for six months ended 30 June 2024 (six months ended 30 June 2023: 1.60% – 4.90%).

(b) Other items:

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Cost of services provided	444,356	484,427
Depreciation of owned property, plant and equipment	123,342	118,494
Depreciation of right-of-use assets	4,162	3,234
Amortisation of intangible assets	11,481	7,100
Loss allowance for trade receivables	11,710	4,344
Short-term lease payments not included in the measurement of lease liabilities	5,310	2,221



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

7 INCOME TAX

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
Current tax — Hong Kong Profits Tax		
Provision for the period	–	–
Current tax — PRC Income Tax		
Provision for the period	21,494	29,935
Over provision in respect of prior years	(805)	(525)
Deferred tax:		
Origination and reversal of temporary differences, net	(4,025)	(2,120)
	16,664	27,290

- (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 estimated annual effective tax rate applicable to group entities incorporated in Hong Kong for the income subject to Hong Kong Profits Tax is 16.5% (2023: 16.5%) to the six months ended 30 June 2024. No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period.
- (c) 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.
- (d) Pursuant to Notice No.14 issued by the State Administration of Taxation on 10 March 2015 and relevant local tax authorities' notices, certain subsidiaries are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC.
- (e) Pursuant to the PRC Enterprise Income Tax Law Implementing Regulations issued by State Council of the PRC, certain subsidiaries engaged in solid waste solutions are eligible for income tax exemption for the first three years starting from the year in which revenue is generated and 50% income tax reduction for the next three years.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

8 EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2024 of RMB82,141,000 (30 June 2023: RMB200,020,000) and the weighted average number of ordinary shares of 1,826,765,059 in issue (30 June 2023: 1,826,765,059).

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 RMB412,201,000. Items of plant and equipment with a net book value of RMB83,000 were disposed of during the six months ended 30 June 2024, resulting in a gain on disposal of RMB14,000.

(b) Right-of-use assets

Right-of-use assets represent properties leased for own use and leasehold land for own use. During the six months ended 30 June 2024, additions of right-of-use assets amounted to RMB13,849,000.

As at 30 June 2024, leasehold land for own use with carrying amount of RMB14,528,000 (2023: RMB8,907,000) were pledged as collaterals for certain bank loans.

(c) Intangible assets

Intangible assets consist of software, pollutant discharge permit, non-patent technology and customer relationship. During the six months ended 30 June 2024, additions of intangible assets amounted to RMB12,519,000.

10 INTERESTS IN ASSOCIATES

As at 30 June 2024, interests in associates represented share of net assets of four 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 RMB-2,787,000 in the consolidated statement of profit or loss (six months ended 30 June 2023: RMB2,200,000).



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

11 TRADE AND OTHER RECEIVABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables		
— Third parties	847,721	897,583
— Related parties (Note 18(b))	59,629	35,216
Bills receivable, carried at amortised cost	77,621	47,799
Bills receivable, carried at FVOCI	17,507	15,254
Less: loss allowance	(62,461)	(50,751)
Trade and bills receivables	940,017	945,101
Other receivables		
— Deposits	22,535	18,155
— VAT recoverable	49,411	53,649
— Others	4,455	3,292
Prepayments	23,285	15,662
	1,039,703	1,035,859
Amounts due from related parties (Note 18(b))		
— Others	—	6,277
Current portion of trade and other receivables	1,039,703	1,042,136
Non-current portion of trade and other receivables	384,126	414,360
Total current and non-current trade and other receivables	1,423,829	1,456,496

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 on demand.

Non-current portion of trade and other receivables mainly consist of non-current portion of VAT recoverable and prepayments for land use right.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

11 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	728,990	665,677
Less than 1 year	211,027	279,319
1 to 2 years	–	105
	940,017	945,101

12 CASH AND CASH EQUIVALENTS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Cash at bank and on hand	374,516	290,273
Less: Restricted bank deposits (Note)	(25,994)	(39,975)
Bank deposits with original maturity over three months	–	(4,044)
Cash and cash equivalents in the consolidated statement of financial position and the consolidated cash flow statement	348,522	246,254

Note: As at 30 June 2024, restricted bank deposits of RMB25,994,000 mainly represent deposits for issuing bank acceptance bills payable (31 December 2023: RMB39,975,000).



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

13 LOANS AND BORROWINGS

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Current	1,582,639	1,277,159
Non-current	2,949,242	2,980,831
Total	4,531,881	4,257,990

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within one year	1,582,639	1,277,159
After one year but within two years	1,210,050	1,218,512
After two years but within five years	1,332,598	1,364,472
After five years	406,594	397,847
Total	4,531,881	4,257,990

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Bank loans		
— Secured	115,109	67,492
— Unsecured	4,394,802	4,168,528
Other interest-bearing borrowings		
— Guaranteed	21,970	21,970
Total	4,531,881	4,257,990

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

14 TRADE AND OTHER PAYABLES

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade payables		
— Third parties	259,976	257,263
— Related parties (Note 18(b))	73,120	58,286
Bills payable	85,365	80,939
Trade and bills payables	418,461	396,488
Other payables and accruals		
— Construction and equipment payables	394,599	381,063
— Deposits	30,731	30,605
— Other taxes and surcharges payables	9,112	5,458
— Accrued payroll and other benefits	14,241	145,800
— Accrued expenses	65,410	67,708
— Others	63,473	76,815
	996,027	1,098,477
Dividends payable to equity shareholders	50,044	—
Dividends payable to the then-shareholder	27,182	27,182
Amounts due to related parties (Note 18(b))		
— Construction and equipment payables	249,299	251,833
— Others	1,056	1,252
Trade and other payables	1,323,608	1,378,744

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Within 1 year	418,461	396,488

The amounts due to related parties are unsecured, non interest-bearing and repayable on demand.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

15 CAPITAL, RESERVE AND DIVIDENDS

(a) Dividends

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
*Final dividend in respect of the previous financial year, approved during the following interim period, of HKD0.03 per share (six months ended 30 June 2023: HKD Nil cents per share)	50,044	–

* Pursuant to a resolution passed at the annual general meeting on 26 June 2024, a final dividend of HKD0.03 per share totaling HKD54,803,000 (equivalent to approximately RMB50,044,000) was approved (2023: HKD Nil, equivalent to approximately RMB Nil), 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).

(b) Share capital

The Company was incorporated on 2 March 2020 in the Cayman Islands as an exempted company with limited liability. Upon incorporation, the Company's authorised share capital was HK\$150,000,000 divided into 15,000,000,000 ordinary shares ("Shares") with a per value of HK\$0.01 each.

On 16 March, 2022, China Conch Venture Holdings Limited ("Conch Venture", the ultimate parent Company of the Company before the Company completed spin-off from Conch Venture on 30 March 2022). The board declared the Conch Venture Distribution to the Qualifying Conch Venture Shareholders. The Conch Venture Distribution was satisfied wholly by way of a distribution in specie to the qualifying Conch Venture Shareholders of an aggregate of 1,826,765,059 Shares, representing all the issued Shares of the Company, by way of capitalisation of HK\$18,267,651 (equivalent to approximately RMB14,837,000) from the share premium account of the Company.

(c) Nature and purpose of reserves

(i) 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 unless otherwise indicated)

16 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

As at 30 June 2024, carrying amount of financial assets and liabilities measured at fair value is RMB Nil (31 December 2023: RMB45,000,000).

17 COMMITMENTS

Commitments outstanding at 30 June 2024 not provided for in the interim financial report:

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Contracted for	153,272	508,872
Authorised but not contracted for	184,075	441,181
	337,347	950,053



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS

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

Name of party (i)	Relationship
Anhui Conch Holdings Co., Ltd. ("Conch Holdings") 安徽海螺集團有限責任公司	Parent of Conch Cement
Anhui Conch Cement Co., Ltd. ("Conch Cement") 安徽海螺水泥股份有限公司	The ultimate parent Company
Anhui Conch Building Materials Design and Research Institute ("Conch Design Institute") 安徽海螺建材設計研究院	Subsidiary of Conch Holdings
Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. ("Conch New Material") 海螺(安徽)節能環保新材料股份有限公司	Associate of Conch Holdings
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. ("CKEM") 安徽海螺川崎裝備製造有限公司	Joint venture of Conch Cement and Kawasaki HI
Yunfu Guangjia Haizhong Environmental Protection Technology Co., Ltd 雲浮光嘉海中環保科技有限公司	Associate of the Group
Jiangsu Jiexia Environmental Protection Technology Co., Ltd 江蘇傑夏環保科技有限公司	Associate of the Group
China Conch Venture Holdings Limited ("Conch Venture") 中國海螺創業控股有限公司	Shareholder of Conch Holdings
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	Subsidiary of Conch Venture
Shanghai Conch Kawasaki Engineering Co., Ltd. 上海海螺川崎節能環保工程有限公司	Subsidiary of Conch Venture
Huoqiu Conch Venture Environment Engineering Co., Ltd. 霍邱海螺創環境工程有限責任公司	Subsidiary of Conch Venture

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

Name of party (i)	Relationship
Huoshan Conch Venture Environmental Protection Technology Co., Ltd. 霍山海創環保科技有限責任公司	Subsidiary of Conch Venture
Lujiang Conch Venture Environmental Protection Technology Co., Ltd. 廬江海創環保科技有限責任公司	Subsidiary of Conch Venture
Wuwei Conch Venture Environmental Protection Technology Co., Ltd. 無為海創環保科技有限責任公司	Subsidiary of Conch Venture
Yiyang Conch Venture Environment Energy Co., Ltd. 弋陽海創環境能源有限責任公司	Subsidiary of Conch Venture
Zongyang Conch Venture Environmental Protection Technology Co., Ltd. 縱陽海創環保科技有限責任公司	Subsidiary of Conch Venture
Ningguo Conch Venture Environment Engineering Co., Ltd. 寧國海創環境工程有限責任公司	Subsidiary of Conch Venture
Dexing Conch Venture Environmental Protection Technology Co., Ltd. 德興海創環保科技有限責任公司	Subsidiary of Conch Venture
Shizhu Xian Conch Venture Environmental Protection Technology Co., Ltd. 石柱縣海創環保科技有限責任公司	Subsidiary of Conch Venture
Shizhu Conch Venture Environmental Protection Technology Co., Ltd. 扶綏海創環境工程有限責任公司	Subsidiary of Conch Venture

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



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

18 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
Service rendered to:		
CKEM	47	70
Conch Holdings	9	509
Conch New Material	175	–
Conch Cement	16,227	4,110
Associates of the Group	141	–
Conch Venture and its subsidiaries	16,259	11,470
	32,858	16,159
Purchase of goods from:		
Conch Venture and its subsidiaries	6,903	67,917
Conch IT Engineering	–	2,573
CKEM	2,306	–
Conch Cement	441	3,193
	9,650	73,683
Services received from:		
Conch IT Engineering	–	63
Conch Design Institute	2,998	120
Conch Holdings	245	4
Conch Cement	35,247	38,919
Conch New Material	128	–
Conch Cement's associates	788	–
Conch Venture and its subsidiaries	6,603	585
	46,009	39,692

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

18 MATERIAL RELATED PARTY TRANSACTIONS *(Continued)*

(b) Balances with related parties

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

	At 30 June 2024 RMB'000	At 31 December 2023 RMB'000
Trade receivables:		
Conch Venture and its subsidiaries	50,633	31,552
Associates of the Group	703	–
Conch New Material	94	–
Conch Holdings	6	–
Conch Cement	8,193	3,664
	59,629	35,216
Other receivables (non-trade):		
Conch Venture and its subsidiaries	–	6,036
Conch Cement	–	60
Conch IT Engineering	–	101
Conch New Material	–	80
	–	6,277
Trade payables:		
Conch Venture and its subsidiaries	–	522
Conch Cement	67,767	50,566
Conch Cement's associates	5,353	7,198
	73,120	58,286
Other payables (non-trade):		
Conch Venture and its subsidiaries	239,359	246,660
Conch Cement	9,674	1,253
Conch IT Engineering	–	4,301
Conch Design Institute	1,186	871
CKEM	135	–
Conch Holdings	1	–
	250,355	253,085
Dividends payable to the then-shareholder of acquired subsidiary:		
Conch Venture and its subsidiaries	27,182	27,182



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi unless otherwise indicated)

19 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Anhui Conch Environment Group Co., Ltd. (“Conch Environment Group”), a subsidiary of the Company, has received the approval of registration from National Association of Financial Market Institutional Investors (Zhong Shi Xie Zhu [2024] GN13) for issuing unsecured medium term notes in the aggregate amount of not more than RMB3 billion (the “Medium-term Notes”) with a validity period of two years from 25 July 2024, the completion of registration date. From 5 to 6 August 2024, Conch Environment Group successfully issued the first batch of the Medium-term Notes of RMB1.5 billion, the proceeds of which will be mostly utilised to repay interest-bearing loans of Conch Environment Group and its subsidiaries.