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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 June 2023 amounted to approximately RMB970.78 million, representing a year-on-year increase of 11.79%.
- Net profit attributable to equity shareholders of the Company for the six months ended 30 June 2023 amounted to approximately RMB200.02 million, representing a year-on-year decrease of 19.70%.
- Basic earnings per share for the six months ended 30 June 2023 amounted to RMB0.11.
- The Board resolved not to declare any interim dividend for the six months ended 30 June 2023.

The board of directors (the "**Board**") of China Conch Environment Protection Holdings Limited (the "**Company**") hereby presents the unaudited results of operation and financial position of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2023 (the "**Reporting Period**").

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 have been considered and approved by the Board and reviewed by the audit committee of the Board (the "**Audit Committee**").

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi yuan)

		Six months ended 30 June	
		2023	2022
	Note	***RMB'000***	*RMB'000*
Revenue	*3*	**970,784**	868,437
Cost of sales		**(484,427)**	(377,891)
Gross profit		**486,357**	490,546
Other income	*4*	**17,392**	43,206
Distribution costs		**(72,812)**	(70,791)
Administrative expenses		**(131,738)**	(113,225)
Profit from operations		**299,199**	349,736
Finance costs	*5(a)*	**(49,670)**	(43,386)
Share of profits of associates	*8*	**2,200**	5,862
Profit before taxation	*5*	**251,729**	312,212
Income tax	*6*	**(27,290)**	(34,238)
Profit for the period		**224,439**	277,974
Attributable to:			
Equity shareholders of the Company		**200,020**	249,080
Non-controlling interests		**24,419**	28,894
Profit for the period		**224,439**	277,974
Earnings per share	*7*		
— Basic *(RMB)*		**0.11**	0.14
— Diluted *(RMB)*		**0.11**	0.14

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six months ended 30 June 2023 — unaudited
(Expressed in Renminbi yuan)

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Profit for the period	**224,439**	277,974
Other comprehensive income for the period (after tax and reclassification adjustments)	**–**	–
Total comprehensive income for the period	**224,439**	277,974
Attributable to:		
Equity shareholders of the Company	**200,020**	249,080
Non-controlling interests	**24,419**	28,894
Total comprehensive income for the period	**224,439**	277,974

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
at 30 June 2023 — unaudited
(Expressed in Renminbi yuan)

	Note	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Non-current assets			
Property, plant and equipment		**6,642,588**	6,366,191
Right-of-use assets		**262,930**	234,630
Intangible assets		**113,981**	121,537
Goodwill		**9,219**	9,219
Interests in associates	*8*	**72,119**	65,919
Non-current portion of trade and other receivables	*9*	**402,866**	410,652
Deferred tax assets		**9,465**	8,923
		7,513,168	7,217,071
Current assets			
Inventories		**23,118**	17,842
Trade and other receivables	*9*	**1,014,191**	975,728
Restricted bank deposits		**47,894**	52,869
Cash and cash equivalents		**321,418**	273,058
		1,406,621	1,319,497
Current liabilities			
Loans and borrowings		**792,173**	637,566
Trade and other payables	*10*	**1,142,623**	1,314,478
Contract liabilities		**9,431**	10,676
Lease liabilities		**1,609**	1,691
Income tax payables		**18,611**	14,666
		1,964,447	1,979,077
Net current liabilities		**(557,826)**	(659,580)
Total assets less current liabilities		**6,955,342**	6,557,491

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
at 30 June 2023 — unaudited
(Expressed in Renminbi yuan)

	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Non-current liabilities		
Loans and borrowings	**3,303,214**	3,137,126
Lease liabilities	**5,457**	6,124
Deferred tax liabilities	**25,029**	26,607
	3,333,700	3,169,857
Net assets	**3,621,642**	3,387,634
Capital and reserves		
Share capital	**14,837**	14,837
Reserves	**2,914,090**	2,714,070
Equity attributable to equity shareholders of the Company	**2,928,927**	2,728,907
Non-controlling interests	**692,715**	658,727
Total equity	**3,621,642**	3,387,634

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Renminbi yuan unless otherwise indicated)

1 BASIS OF PREPARATION

This Interim Financial Information 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 21 August 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 annual financial statements. Details of any changes in accounting policies are set out in Note 2.

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 2022 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 interim financial report is unaudited, but has been reviewed by the Audit Committee of the Company.

2 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:

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

None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 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 2023 and 30 June 2022 recognised in the consolidated statements of profit or loss are as follows:

	Six months ended 30 June	
	2023	2022
	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	**293,516**	286,549
— General hazardous waste	**549,652**	496,873
— Oil sludge	**40,292**	55,249
— Fly ash	**41,713**	29,766
	925,173	868,437
Revenue from contracts with customers within the scope of IFRS15, recognised at point in time		
Solid and hazardous waste solutions		
— Comprehensive resource utilization	**45,611**	–
	970,784	868,437

For the six months ended 30 June 2023, there was no customer from which revenue accounted for 10% or more of the Group's revenue.

(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.

4 OTHER INCOME

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Interest income on bank deposits	**2,678**	4,719
Government grants	**14,677**	35,060
Net gain on disposal of right-of-use assets and property, plant and equipment	**7**	88
Gain from debt restructuring	**–**	1,635
Others	**30**	1,704
	17,392	43,206

5 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Interest on loans and borrowings	**75,772**	63,947
Interest on lease liabilities	**158**	92
Total interest expense on financial liabilities not at fair value through profit or loss	**75,930**	64,039
Less: interest expense capitalised in construction in progress	**(26,260)**	(20,653)
	49,670	43,386

(b) Other items:

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Cost of services provided	**484,427**	377,891
Depreciation of owned property, plant and equipment	**118,494**	98,337
Depreciation of right-of-use assets	**3,234**	3,371
Amortisation of intangible assets	**7,100**	3,519
Loss allowance for trade receivables	**4,344**	1,127
Short-term lease payments not included in the measurement of lease liabilities	**2,221**	2,149

6 INCOME TAX

	Six months ended 30 June	
	2023	2022
	RMB'000	*RMB'000*
Current tax — Hong Kong Profits Tax		
Provision for the period	**–**	–
Current tax-PRC Income Tax		
Provision for the period	**29,935**	34,128
(Over)/Under provision in respect of prior years	**(525)**	551
Deferred tax:		
Origination and reversal of temporary differences, net	**(2,120)**	(441)
	27,290	34,238

(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% (2022: 16.5%) to the six months ended 30 June 2023. 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.

7 EARNINGS PER SHARE

The calculation of basic earnings per share for the six months ended 30 June 2023 is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2023 of RMB200,020,000 (30 June 2022: RMB249,080,000) and the weighted average number of ordinary shares of 1,826,765,059 in issue (30 June 2022: 1,826,765,059).

8 INTERESTS IN ASSOCIATES

As at 30 June 2023, interests in associates represented share of net assets of four associates that are not individually material. For the six months period ended 30 June 2023, the Group recognised share of profits of associates in the amount of RMB2,200,000 in the consolidated statement of profit or loss (six months ended 30 June 2022: RMB5,862,000).

9 TRADE AND OTHER RECEIVABLES

	At **30 June** **2023** ***RMB'000***	At 31 December 2022 *RMB'000*
Trade receivables		
— Third parties	**855,987**	795,900
— Related parties	**15,599**	4,499
Bills receivable, carried at amortised cost	**57,029**	101,315
Bills receivable, carried at FVOCI	**15,821**	12,006
Less: loss allowance for doubtful debts	**(39,837)**	(35,493)
Trade and bills receivables	**904,599**	878,227
Other receivables		
— Deposits	**23,390**	15,009
— VAT recoverable	**54,094**	60,280
— Others	**4,421**	4,729
Prepayments	**25,873**	16,242
	1,012,377	974,487
Amounts due from related parties		
— Others	**1,814**	1,241
Current portion of trade and other receivables	**1,014,191**	975,728
Non-current portion of trade and other receivables	**402,866**	410,652
Total current and non-current trade and other receivables	**1,417,057**	1,386,380

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.

Ageing analysis

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

	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Current	**729,955**	651,923
Less than 1 year	**164,418**	220,082
1 to 2 years	**10,226**	6,222
	904,599	878,227

10 TRADE AND OTHER PAYABLES

	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Trade payables		
— Third parties	**157,861**	140,955
— Related parties	**49,470**	33,924
Bills payable	**54,643**	40,795
Trade and bills payables	**261,974**	215,674
Other payables and accruals		
— Construction and equipment payables	**449,620**	465,213
— Deposits	**27,761**	25,334
— Other taxes and surcharges payables	**4,914**	4,588
— Accrued payroll and other benefits	**8,654**	132,050
— Accrued expenses	**39,425**	70,561
— Others	**46,016**	53,611
	838,364	967,031
Dividends payable	**48,682**	65,993
Amounts due to related parties		
— Construction and equipment payables	**254,909**	280,910
— Others	**670**	544
Trade and other payables	**1,142,625**	1,314,478

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

	At 30 June 2023 *RMB'000*	At 31 December 2022 *RMB'000*
Within 1 year	**261,974**	215,674

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

11 DIVIDENDS

No interim dividend was declared or paid for the six months ended 30 June 2023 and 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ENVIRONMENT

In the first half of 2023, the international environment has become more complex and severe and the geopolitical situation is turbulent. Amid the rising inflation pressure and faltering recovery of the global economy, China has implemented well-targeted macro policies and insisted on promoting high-quality development. The coordinated development of green transformation and economy growth has continued to bear fruit, with GDP growth of approximately 5.5% year-on-year.

During the Reporting Period, under the background of fierce competition in the hazardous waste treatment market, increased peak shifting efforts in the cement industry and other unfavorable factors, the Group focused on its operating objectives and strived to expand the market while paying close attention to internal management. The Group also strengthened synergy in production management with factories of cement companies, thereby seeking a quarterly improvement in operating benefits and a steady enhancement in operating quality.

BUSINESS REVIEW

Since 2023, under the leadership of the Board, the Group has consolidated its core strengths in cement kiln co-processing treatment business while diversifying the development of environmental protection industries such as oil sludge treatment, fly ash washing and comprehensive resource utilization by sticking to the development plans and leveraging new opportunities of national green and low-carbon transformation. The Group has also taken the lead in developing alternative fuels projects to continuously consolidate its leading position in the industry.

At the end of the Reporting Period, the Group put into operation and constructed a total of 66 environmental protection projects in 19 provinces, municipalities, and autonomous regions across the country, including 38 general hazardous waste projects, 5 fly ash washing projects, 5 oil sludge treatment projects, 17 industrial solid waste projects and 1 comprehensive resource utilization project. The treatment scale of the projects was approximately 7,316,700 tonnes/year (excluding projects subject to approval and to be constructed).

Industrial hazardous waste treatment

1) *Project expansion*

   The Group continued to optimize project implementation plans based on policy planning and market demand. During the Reporting Period, the Group successfully entered into contracts for 3 fly ash projects in Queshan, Henan (100,000 tonnes/year), Shuangfeng, Hunan (100,000 tonnes/year) and Leshan, Sichuan (100,000 tonnes/year), with a production capacity of approximately 300,000 tonnes/year, and also successfully entered into a contract for an oil sludge project in Zhong County, Chongqing (200,000 tonnes/year), which further improved its layout for the oil sludge market in Southwest China.

In terms of comprehensive resource utilization, the Group made plans on the development of alternative fuel projects by taking advantage of the "Carbon Peak and Carbon Neutrality" strategic opportunity. During the Reporting Period, the Group successfully entered into a contract for a project (100,000 tonnes/year) in Wuhu, Anhui. Meanwhile, the Group launched technical research on industrial waste salt, aluminum ash and organic solvents to pave the way for the subsequent development in the industry.

2) *Project operation*

As for market expansion, the Group focused on the implementation of the entry plan and endeavored to solve bottlenecks restricting market expansion and profit realization. The Group closely monitored the bidding dynamics of key customers, refined the public relations tasks for the hazardous waste customers and consolidated the relationship with key customers. The Group also improved the blank market layout and strengthened channel development, thus successfully opening up the cross-provincial transfer channels such as those in Hubei and Tianjin.

Regarding operation and management, the Group continued to improve the dynamic tracking mechanism for the production process to ensure the fulfillment of treatment targets. The Group promoted the integration in management with cement enterprises and established a regular communication mechanism for production organizations to further explore treatment potential. To reduce production costs and improve production efficiency, the Group steadily advanced various technological reforms and initiatives.

During the Reporting Period, the total treatment volume of industrial hazardous waste of the Group was approximately 546,100 tonnes, representing a year-on-year increase of approximately 34%, among which, approximately 485,700 tonnes were general hazardous waste, approximately 29,800 tonnes were oil sludge, and approximately 30,600 tonnes were fly ash; approximately 11,470 tonnes of comprehensive resource utilization products were sold; and 40,900 tonnes of alternative fuels were disposed of and supplied.

Industrial solid waste treatment

1) *Project expansion*

By virtue of advantageous resources in the regions, the Group explored its development potential and prioritized the layout in economically developed regions with reasonable treatment prices, such as Yangtze River Delta, Sichuan and Chongqing. During the Reporting Period, the Group successfully entered into a contract for a solid waste treatment project in Leshan, Sichuan (100,000 tonnes/year).

2) *Project operation*

The Group actively expanded its solid waste treatment business and seized opportunities, and has successfully obtained the treatment franchise from a number of waste-producing enterprises. During the Reporting Period, the total treatment volume of industrial solid waste of the Group was approximately 1,036,200 tonnes, representing a year-on-year increase of approximately 15%.

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	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	70,000 tonnes/year	63,600 tonnes/year	April 2017
3		Wuhu, Anhui Province	2×100,000 tonnes/year	130,000 tonnes/year	December 2017
4		Yiyang, Jiangxi Province	2×100,000 tonnes/year	170,000 tonnes/year	May 2018
5		Xingye, Guangxi Province	2×100,000 tonnes/year	161,500 tonnes/year	August 2018
6		Suzhou, Anhui Province	2×100,000 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	2×100,000 tonnes/year	95,200 tonnes/year	June 2019
9		Tongchuan, Shaanxi Province	100,000 tonnes/year	81,500 tonnes/year	August 2019
10		Wenshan, Yunnan Province	100,000 tonnes/year	66,000 tonnes/year	August 2019
11		Sanming, Fujian Province	100,000 tonnes/year	40,500 tonnes/year	August 2019
12		Qingzhen, Guizhou Province	100,000 tonnes/year	100,000 tonnes/year	September 2019
13		Yixing, Jiangsu Province	100,000 tonnes/year	100,000 tonnes/year	December 2019
14		Sishui, Shandong Province	100,000 tonnes/year	100,000 tonnes/year	January 2020
15		Qiyang, Hunan Province	100,000 tonnes/year	69,500 tonnes/year	January 2020
16		Yangchun, Guangdong Province	100,000 tonnes/year	65,300,tonnes/year	August 2020
17		Luoyang, Henan Province	100,000 tonnes/year	72,000 tonnes/year	December 2020
18		Jiyuan, Henan Province	100,000 tonnes/year	50,000 tonnes/year	December 2020
19		Dezhou, Shandong Province	100,000 tonnes/year	75,000 tonnes/year	December 2020
20		Tai’an, Shandong Province	100,000 tonnes/year	100,000 tonnes/year	December 2020
21		Linxiang, Hunan Province	100,000 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	100,000 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	2×100,000 tonnes/year	90,000 tonnes/year	June 2022
31		Jiayuguan, Gansu Province	100,000 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

No.	Status of Construction	Project Location	Treatment Capacity	Hazardous Waste Qualification	Actual/Expected Completion Date
35		Nantong, Chongqing Province	100,000 tonnes/year	22,300 tonnes/year	December 2022
36		Shaoguan, Guangdong Province	2×100,000 tonnes/year	182,600 tonnes/year	April 2023
Subtotal			**4,166,500 tonnes/year**	**3,069,600 tonnes/year**	
37	Under construction	Qingyuan, Guangdong Province	100,000 tonnes/year	/	September 2023
38		Tongchuan, Shaanxi Province	200,000 tonnes/year		April 2024
Subtotal			**300,000 tonnes/year**		
Total			**4,466,500 tonnes/year**	**3,069,600 tonnes/year**	

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	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
Subtotal			**349,500 tonnes/year**	
5	Under construction	Qian County, Shaanxi Province	50,000 tonnes/year	October 2023
Subtotal			**50,000 tonnes/year**	
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	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 (Phase 1)	80,000 tonnes/year	80,000 tonnes/year	January 2022
Subtotal			**405,000 tonnes/year**	**405,000 tonnes/year**	
4	Under construction	Dongying, Shandong Province (Phase 2)	80,000 tonnes/year	/	July 2023
5		Jinzhou, Liaoning Province	Oil sludge treatment: 20,000 tonnes/year Incineration: 42,000 tonnes/year		October 2023
6		Qingyang, Gansu Province	80,000 tonnes/year		January 2024
Subtotal			**222,000 tonnes/year**		
Total			**627,000 tonnes/year**	**405,000 tonnes/year**	

At the end of Reporting Period, details of 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	Actual/Expected Completion Date
1	In operation	Huaining, Anhui Province	70,000 tonnes/year	September 2017
2		Mian County, Shaanxi Province	16,500 tonnes/year	October 2017
3		Huaibei, Anhui Province	2×66,000 tonnes/year	December 2017
4		Liangping, Chongqing Municipality	75,000 tonnes/year	September 2019
5		Guangyuan, Sichuan Province*	2×60,000 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		Xin'an, Henan Province	50,000 tonnes/year	June 2022
14		Chaohu, Anhui Province (sludge drying)	200,000 tonnes/year	January 2023
15		Wuhu, Anhui Province (sludge drying)	132,000 tonnes/year	February 2023
16		Yunfu, Guangdong Province*	160,000 tonnes/year	June 2023
Subtotal			**1,657,700 tonnes/year**	
17	Under construction	Shuicheng, Guizhou Province	66,000 tonnes/year	September 2023
Subtotal			**66,000 tonnes/year**	
Total			**1,723,700 tonnes/year**	

Note:* The treatment capacity of the above projects is adjusted according to the production capacity pursuant to the environmental impact assessment approvals obtained.

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

Status of Construction	Project Location	Treatment Capacity	Hazardous Waste Qualification	Completion Date
In operation	Ninghai, Zhejiang Province	100,000 tonnes/year	100,000 tonnes/year	May 2021

At the end of Reporting Period, the treatment scale of the Group's projects in operation and under construction was approximately 7,316,700 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		Solid waste		Comprehensive resource utilization
Status	In operation	Under construction	In operation	Under construction	In operation	Under construction	In operation	Under construction	In operation
Scale	416.65	30	34.95	5	40.5	22.2	165.77	6.6	10

PROFITS

Item	**January-June 2023 Amount** *(RMB'000)*	**January-June 2022 Amount** *(RMB'000)*	**Changes between the Reporting Period and the corresponding period of the previous year** *(%)*
Revenue	**970,784**	868,437	11.79
Profit before taxation	**251,729**	312,212	–19.37
Profit for the period	**224,439**	277,974	–19.26
Net profit attributable to equity shareholders of the Company	**200,020**	249,080	–19.70

During the Reporting Period, the Group recorded revenue of RMB970.78 million, representing a year-on-year increase of 11.79%. Profit before taxation amounted to RMB251.73 million, representing a year-on-year decrease of 19.37%. Profit for the period amounted to RMB224.44 million, representing a year-on-year decrease of 19.26%. Net profit attributable to equity shareholders of the Company amounted to RMB200.02 million, representing a year-on-year decrease of 19.70%. During the six months ended 30 June 2023, basic earnings per share amounted to RMB0.11, representing a year-on-year decrease of RMB0.03.

Revenue by business stream

Item	January-June 2023		January-June 2022			
	Amount	**Percentage**	Amount	Percentage	**Change in amount**	**Change in percentage**
	(RMB'000)	***(%)***	*(RMB'000)*	*(%)*	*(%)*	*(percentage points)*
Industrial hazardous waste treatment services	**631,658**	**65.07**	581,888	67.00	8.55	–1.93
General hazardous waste	**549,653**	**56.62**	496,873	57.21	10.62	–0.59
Oil sludge	**40,292**	**4.15**	55,249	6.36	–27.07	–2.21
Fly ash	**41,713**	**4.30**	29,766	3.43	40.13	0.87
Industrial solid waste treatment services	**293,516**	**30.23**	286,549	33.00	2.43	–2.77
Comprehensive resource utilization	**45,610**	**4.70**	–	–	–	4.70
Total	**970,784**	**100.00**	868,437	100.00	11.79	–

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 RMB631.66 million, representing a year-on-year increase of 8.55%, of which:

Revenue from **general hazardous waste** was RMB549.65 million, representing a year-on-year increase of 10.62%. The increase in revenue was primarily due to the Group's new project in Shaoguan being put into operation, as well as the rapid year-on-year growth of the projects in Wenshan and Fuyang.

Revenue from **oil sludge treatment** was RMB40.29 million, representing a year-on-year decrease of 27.07%. This was primarily due to the technical transformation of production facility in the oil sludge treatment companies, resulting in a phased reduction in intake.

Revenue from **fly ash treatment** was RMB41.71 million, representing a year-on-year increase of 40.13%. This was primarily due to the commencement of operation of the fly ash project in Quanjiao, as well as the rapid year-on-year growth of the project in Wuhu.

(ii) Revenue from **industrial solid waste treatment services** was RMB293.52 million, representing a year-on-year increase of 2.43%. This was primarily due to the Group's projects in Chaohu and Shaoguan being put into operation.

(iii) Revenue from **comprehensive resource utilization** was RMB45.61 million. The year-on-year increase in revenue was primarily due to the new project in Ninghai being put into operation, as well as the commencement of operation of the alternative fuel projects in Wuhu and Chizhou.

Gross profit and gross profit margin

Item	January - June 2023 Gross profit	January - June 2023 Gross profit margin	January - June 2022 Gross profit	January - June 2022 Gross profit margin	Change in amount	Change in percentage
	(RMB'000)	*(%)*	*(RMB'000)*	*(%)*	*(%)*	*(percentage points)*
Industrial hazardous waste treatment services	**330,025**	**52.25**	314,303	54.01	5.00	–1.77
General hazardous waste	**306,739**	**55.81**	289,743	58.31	5.87	-2.50
Oil sludge	**9,665**	**23.99**	30,046	54.38	–67.83	–30.39
Fly ash	**13,621**	**32.65**	–5,486	–18.43	–	51.08
Industrial solid waste treatment service	**150,896**	**51.41**	176,243	61.51	–14.38	–10.10
Comprehensive resource utilization	**5,436**	**11.92**	–	–	–	11.92
Total	**486,357**	**50.10**	490,546	56.49	–0.85	–6.39

During the Reporting Period, the Group recorded a gross profit of RMB486.36 million, basically flat year-on-year. With a breakdown by streams:

(i) Gross profit margin for **industrial hazardous waste treatment services** was 52.25%, representing a year-on-year decrease of 1.77 percentage points, among which:

Gross profit margin for **general hazardous waste** was 55.81%, representing a year-on-year decrease of 2.5 percentage points, which was primarily due to price decline caused by intensified competition in the market, resulting the decrease in price of hazardous waste treatment in Guangdong, Jiangxi and other provinces.

Gross profit margin for **oil sludge treatment** was 23.99%, representing a year-on-year decrease of 30.39 percentage points, which was mainly due to the insufficient oil sludge for treatment in the factory, resulting in a decrease in revenue.

Gross profit margin for **fly ash treatment** was 32.65%, representing a year-on-year increase of 51.08 percentage points, which was primarily because the increased treatment volume led to the higher revenue as a result of treatment efficiency promotion due to the technical improvement of fly ash treatment project in Wuhu.

(ii) Gross profit margin for **industrial solid waste treatment services** was 51.41%, representing a year-on-year decrease of 10.10 percentage points, primarily due to lower revenue caused by the insufficient treatment volume as a result of intensified competition of land remediation business.

(iii) Gross profit margin for **comprehensive resource utilization** was 11.92%.

Other income

During the Reporting Period, the Group's other income amounted to RMB17.39 million, representing a year-on-year decrease of RMB25.81 million, or 59%, primarily due to a year-on-year decrease in government subsidies received.

Distribution costs

During the Reporting Period, the Group's distribution costs amounted to RMB72.81 million, representing a year-on-year increase of RMB2.02 million, or 2.85%, primarily due to increase in labour costs resulting from additional projects in operation.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB131.74 million, representing a year-on-year increase of RMB18.51 million, or 16.35%, primarily due to the increase in revenue led to an increase in tax expenses, and the increase in labor costs due to the additional projects in operation.

Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB49.67 million, representing a year-on-year increase of RMB6.28 million, or 14.48%. The increase in finance costs was primarily due to new bank loans raised by the Group.

Profit before taxation

During the Reporting Period, the Group's profit before taxation amounted to RMB251.73 million, representing a year-on-year decrease of RMB60.48 million, or 19.37%, and share of profits of associates amounted to RMB2.2 million, representing a year-on-year decrease of 62.47%.

FINANCIAL POSITION

As at the end of the Reporting Period, the Group's total assets amounted to RMB8,919.79 million, representing an increase of RMB383.22 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB2,928.93 million, representing an increase of RM200.02 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 59.40%, representing a decrease of 0.92 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 2023** *(RMB'000)*	**As at 31 December 2022** *(RMB'000)*	**Change between the end of the Reporting Period and the end of the previous year** *(%)*
Property, plant and equipment	**6,642,588**	6,366,191	4.34
Non-current assets	**7,513,168**	7,217,071	4.10
Current assets	**1,406,621**	1,319,497	6.60
Non-current liabilities	**3,333,700**	3,169,857	5.17
Current liabilities	**1,964,447**	1,979,077	–0.74
Net current liabilities	**557,826**	659,580	–15.43
Equity attributable to equity shareholders of the Company	**2,928,927**	2,728,907	7.33
Total assets	**8,919,789**	8,536,568	4.49
Total liabilities	**5,298,147**	5,148,934	2.90

Non-current assets and current assets

As at the end of the Reporting Period, non-current assets of the Group amounted to RMB7,513.17 million, representing an increase of 4.10% as compared to the end of the previous year, primarily due to the increase in property, plant and equipment.

Current assets of the Group amounted to RMB1,406.62 million, representing an increase of 6.60% as compared to the end of the previous year, primarily due to the increase in trade and other receivables as a result of new operating projects.

Non-current liabilities and current liabilities

As at the end of the Reporting Period, non-current liabilities of the Group amounted to RMB3,333.70 million, representing an increase of 5.17% as compared to the end of the previous year, primarily due to the new long-term loans raised by the Group during the Reporting Period.

As at the end of the Reporting Period, current liabilities of the Group amounted to RMB1,964.45 million, remained basically unchanged as compared to the end of the previous year.

As at the end of the Reporting Period, current ratio and debt-to-equity ratio (calculated by dividing total amount of loans by total equity) of the Group were 0.72 and 1.13, respectively, as compared to 0.67 and 1.11, respectively, as at the end of the previous year.

Net current liabilities

As at the end of the Reporting Period, net current liabilities of the Group amounted to RMB557.83 million, representing a decrease of RMB101.75 million as compared to the end of the previous year, primarily due to the increase in trade and other receivables as a result of new operating projects.

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 RMB2,928.93 million, representing an increase of 7.33% 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.

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 RMB321.42 million, which were mainly denominated in RMB.

Bank loans

As at the end of the Reporting Period, the balance of bank loans of the Group amounted to RMB4,095.38 million, representing an increase of RMB320.70 million as compared to the end of the previous year, primarily due to the new bank loans due after one year but within two years raised by the Group during the Reporting Period. As at the end of the Reporting Period, the Group's bank loans were denominated in RMB, and most of the loan interests were subject to variable interest rate.

Item	**As at 30 June 2023** *(RMB'000)*	As at 31 December 2022 *(RMB'000)*
Due within one year	**792,173**	637,566
Due after one year but within two years	**1,470,752**	1,135,745
Due after two years but within five years	**1,466,592**	1,634,774
Due after five years	**365,870**	366,607
Total	**4,095,387**	3,774,692

Cash flows

As at the end of the Reporting Period, the Group's balance of cash and cash equivalents was RMB321.42 million, representing a year-on-year decrease of RMB334.30 million.

Item	**January to June 2023** *(RMB'000)*	**January to June 2022** *(RMB'000)*
Net cash generated from operating activities	**278,095**	242,013
Net cash used in investing activities	**–470,463**	–628,599
Net cash generated from financing activities	**240,728**	446,192
Net increase in cash and cash equivalents	**48,360**	59,606
Cash and cash equivalents at the beginning of the period	**273,058**	596,113
Cash and cash equivalents at the end of the period	**321,418**	655,719

Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB278.10 million, representing a year-on-year increase of RMB36.08 million, which was mainly due to the rise in business development income leading to the increase in the receipts of sales payment.

Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB470.46 million, representing a year-on-year decrease of RMB158.14 million, primarily due to the decrease in payment for purchase of property, plant and equipment and construction in progress during the Reporting Period.

Net cash generated from financing activities

During the Reporting Period, net cash generated from financing activities of the Group amounted to RMB240.73 million, representing a year-on-year decrease of RMB205.46 million, primarily due to the increase in repayment of loans for the current period.

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 2023** ***(RMB'000)***	As at 31 December 2022 *(RMB'000)*
Contracted for	**553,871**	385,482
Authorized but not contracted for	**434,159**	313,766
Total	**988,030**	699,248

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 derivatives to hedge against any foreign exchange risks.

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

As at the end of the Reporting Period, the bank loans of the Group amounting to RMB46,429,000 (31 December 2022: RMB47,857,000) were secured by right-of-use assets provided by Luoyang Haizhong Environmental Protection Technology Co., Ltd., a subsidiary of the Company.

MATERIAL INVESTMENTS

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

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.

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.

CONVERTIBLE BONDS

As at the end of the Reporting Period, the Group did not have any convertible bonds.

As disclosed in the listing document of the Company dated 22 March 2022 (the "**Listing Document**"), in September 2018, China Conch Venture Holdings International Limited (a subsidiary of China Conch Venture Holdings Limited ("**Conch Venture**")) issued zero coupon guaranteed convertible bonds (the "**2018 Convertible Bonds**") in the aggregate principal amount of HK$3,925,000,000 due 2023, which were listed on the Frankfurt Stock Exchange in September 2018. According to the terms and conditions of the 2018 Convertible Bonds (the "**2018 CB Terms and Conditions**") as disclosed in the announcement of Conch Venture on the website of the Stock Exchange on 30 August 2018, the 2018 Convertible Bonds can be convertible into the ordinary shares of Conch Venture at the initial conversion price of HK$40.18 (subject to the adjustment according to 2018 CB Terms and Conditions) at any time on and after 16 October 2018 up to the close of business on the 10th day prior to 5 September 2023, the maturity date of the 2018 Convertible Bonds. According to the 2018 CB Terms and Conditions, in the event of the occurrence of the spin-off, no adjustment to the conversion price shall occur and a bondholder may only exercise their conversion right in respect of both the shares of Conch Venture and the shares of the Company jointly and may not exercise such rights individually. As of 30 June 2023, all of the 2018 Convertible Bonds are still outstanding, which is convertible into (1) 106,715,606 shares of Conch Venture based on the current conversion price of HK$36.78, representing approximately 5.89% of the issued share capital of Conch Venture and approximately 5.56% of the issued share capital of Conch Venture as enlarged by the issue of the conversion shares, and (2) 103,698,811 shares of the Company with no consideration based on the current conversion price of HK$37.85, representing approximately 5.68% of the issued share capital of the Company immediately upon the completion of listing, and approximately 5.37% of the issued share capital of the Company as enlarged by the issue of the conversion shares.

HUMAN RESOURCES

During the Reporting Period, the Group continued to improve and optimise the compensation management system by implementing a compensation assessment and incentive system featuring of top-down and vertical overall management with key positions as the main line, classifying and refining the assessment and incentive contents. Meanwhile, the Group developed the annual special incentive policy, and implemented the allowance for dispatched personnel system, the technical title award and compensation for employee system and the on-the-job relearning reward system, in bid to stimulate employees' pursuance of career progress, enthusiasm and initiative for working and entrepreneurship.

The Group endeavours to build a diversified and professional training system by combining online and offline methods to organise professional knowledge and skills training in production safety, process technology, marketing business, financial and internal control, etc., and arranges 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 3,515 (31 December 2022: 3,686) employees. The remuneration of employees is determined by qualifications, experience, work performance and market conditions. As required by 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 RMB170.51 million (30 June 2022: approximately RMB138.30 million).

FUTURE PLAN AND OUTLOOK

2023 is a key year for the Group to enhance quality and efficiency and achieve high-quality development. From the perspective of macro environment, China's economy has gradually returned to the normal track with main indicators generally improving. Recovery and transformation will become the theme for China's economy in the second half of the year. The Group will seize policy opportunities, continue to promote scientific research and innovation, innovate management models, and promote cost reduction and efficiency increase, so as to further enhance its profitability. Therefore, the Group will focus its efforts on the following areas:

Multi-industry linkage development to consolidate new momentum for growth

In terms of alternative fuel business, the Group will vigorously grasp the new round of industry development opportunities driven by green development and the "Carbon Peak and Carbon Neutrality" goal, accelerate the implementation of projects with relatively mature market conditions, actively expand upstream raw material market channels, and give full play to the advantages of the alternative fuel industry chain;

In terms of fly ash washing business, the Group will follow the overall principle of "planning first, focusing on layout and launching in a timely manner", and rationally promote the implementation of plans based on development policies and market demand;

In terms of hazardous waste and oil sludge treatment business, the Group will continuously consolidate its core competitive advantages, seize the opportunity of industry integration, carry out project acquisition and merger as and when appropriate, and further improve market network coverage;

In terms of comprehensive resource utilization business, the Group will accelerate the technical research and demonstration for the comprehensive utilization projects of waste salt, waste acid, organic solution, aluminum ash, etc., clarify the technical treatment path, and thoroughly investigate the market situation, striving to achieve a zero breakthrough in the resource utilization projects of waste salt, waste acid, etc.

Multiple measures are taken to enhance quality and efficiency, and facilitate new steps in promoting high-quality development

Conducting market expansion, production enhancement and price stabilization to strengthen the ability to control the market. Firstly, the Group will actively carry out communication and exchanges with large environmental protection enterprises, establish a good competition and cooperation relationship between enterprises, conduct practical and detailed market research and argumentation, and strive to increase production and stabilize prices, so as to improve economic efficiency. Secondly, the Group will comprehensively sort out and divide the types of customers, establish public relations with customers at different levels, strengthen cooperation and negotiation with large-scale waste-producing enterprises, and strengthen the bidding management of key waste-producing enterprises. Thirdly, the Group will improve the provincial marketing management system and mechanism, capitalize on market resources in a timely manner, and expand revenue channels.

Strengthening internal management, optimizing production organization, and improving operational efficiency. Firstly, the Group will improve the entire process control from receiving orders to treatment, pay attention to the difficulty of material treatment, and enhance regional market coordination to optimize the overall allocation and adjustment of materials within the region, thereby promoting the dual improvement of treatment volume and revenue. Secondly, the Group will further implement production management integration with cement entities, strengthen synergy in production, and enhance treatment efficiency. Thirdly, the Group will accelerate the promotion of technical transformation and technical measures and strengthen benchmarking management. For subsidiaries with poor production indicators, the Group will provide assistance and guidance to facilitate their overall operational quality improvement.

Actively advancing project construction, strengthening safety management, and preventing various business risks

Firstly, the Group will closely monitor the progress of environmental protection projects, comprehensively review the constraints of engineering construction, improve the accuracy of project estimates, and optimize project construction plans. Secondly, the Group will strengthen basic safety management, systematically organize the formulation and implementation of rules and regulations, focus on weak links, and make up for shortcomings. Thirdly, the Group will strengthen accounts receivable control, fully clarify accountability for regional accounts receivable and overdue debt settlement, and continue to ensure the stable and safe operating cash flows of the Company. Fourthly, the Group will attach great importance to compliance management, give full play to the internal audit supervision function, and ensure the standardized operation of the Company's various businesses.

INTERIM DIVIDENDS

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

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board confirmed that the Company has complied with the principles and all applicable code provisions of the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited throughout the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 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 of the Company confirmed that they complied with the Model Code during the Reporting Period.

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.

REVIEW OF THE INTERIM RESULTS

The Audit Committee, which comprises three independent non-executive Directors, namely Ms. WANG Jiafen, being the chairman of the Audit Committee, Mr. DAI Xiaohu and Ms. LI Chen, has reviewed the unaudited interim results of the Group for the six months ended 30 June 2023. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

MATERIAL EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Since the Reporting Period and up to the date of this announcement, there has been no material event affecting the Group that require to be disclosed.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT

This results announcement is available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.conchenviro.com). The interim report of the Company for the six months ended 30 June 2023 will be dispatched to the shareholders of the Company and published on the above websites in due course.

For and on behalf of the Board
China Conch Environment Protection Holdings Limited
LI Qunfeng
Chairman

Anhui Province, the People's Republic of China
21 August 2023

As at the date of this announcement, the Board comprises Mr. LI Xiaobo (General Manager), Ms. LIAO Dan and Mr. FAN Zhan as executive Directors, Mr. LI Qunfeng (Chairman), Mr. XIAO Jiaxiang and Mr. MA Wei as non-executive Directors, and Mr. DING Wenjiang, Ms. WANG Jiafen and Ms. LI Chen as independent non-executive Directors.