

# 2019 Interim Results Presentation

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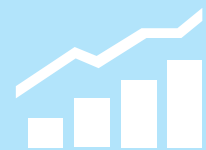
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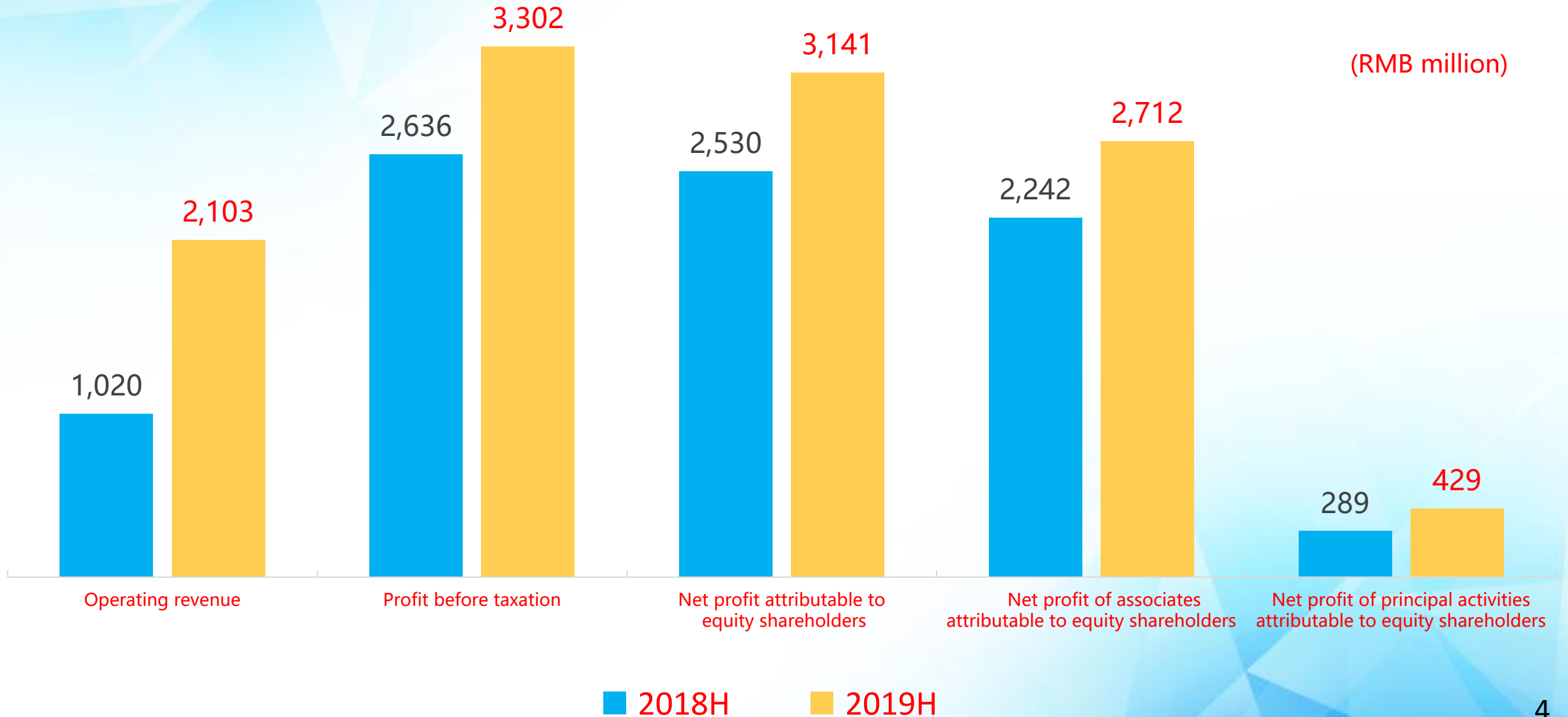
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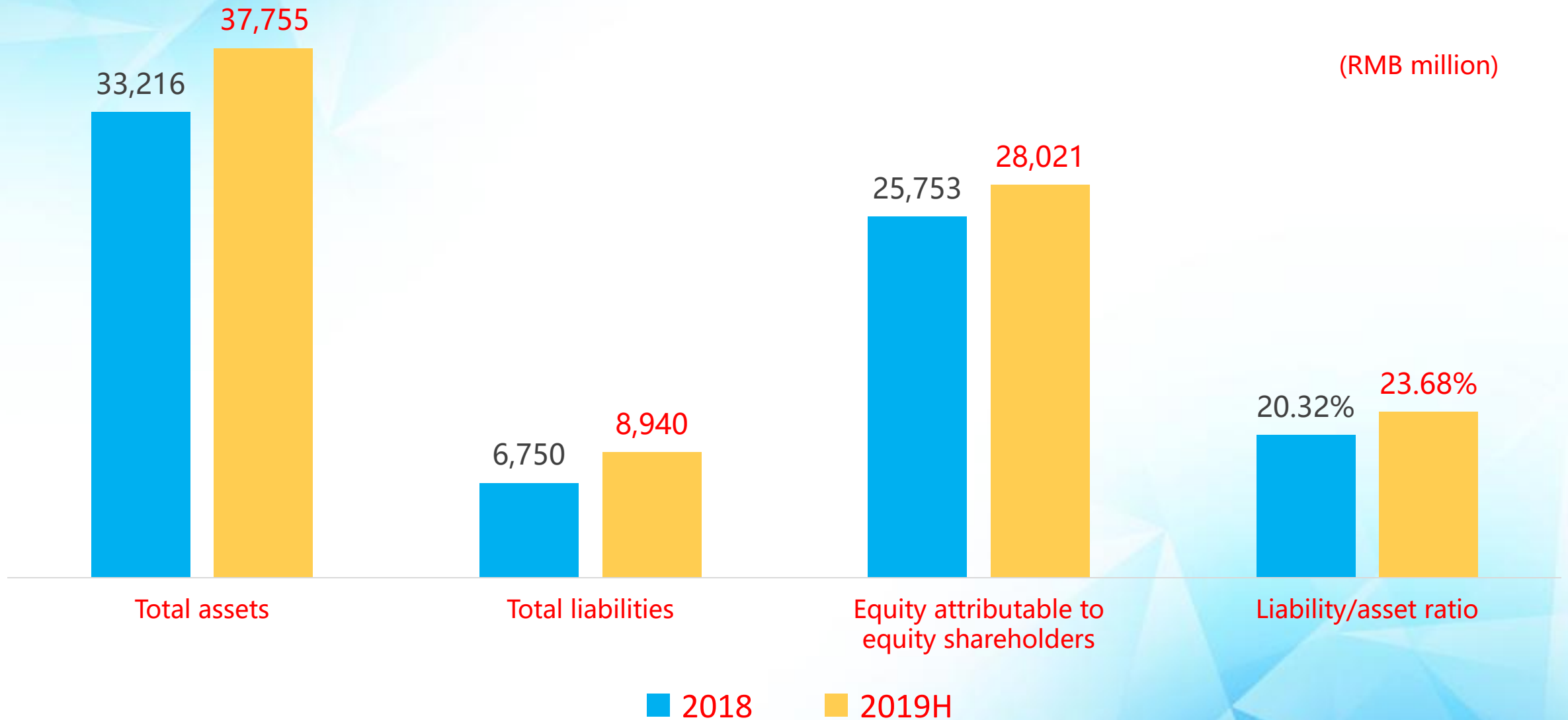
# 1、Financial Information

# Operational Performance



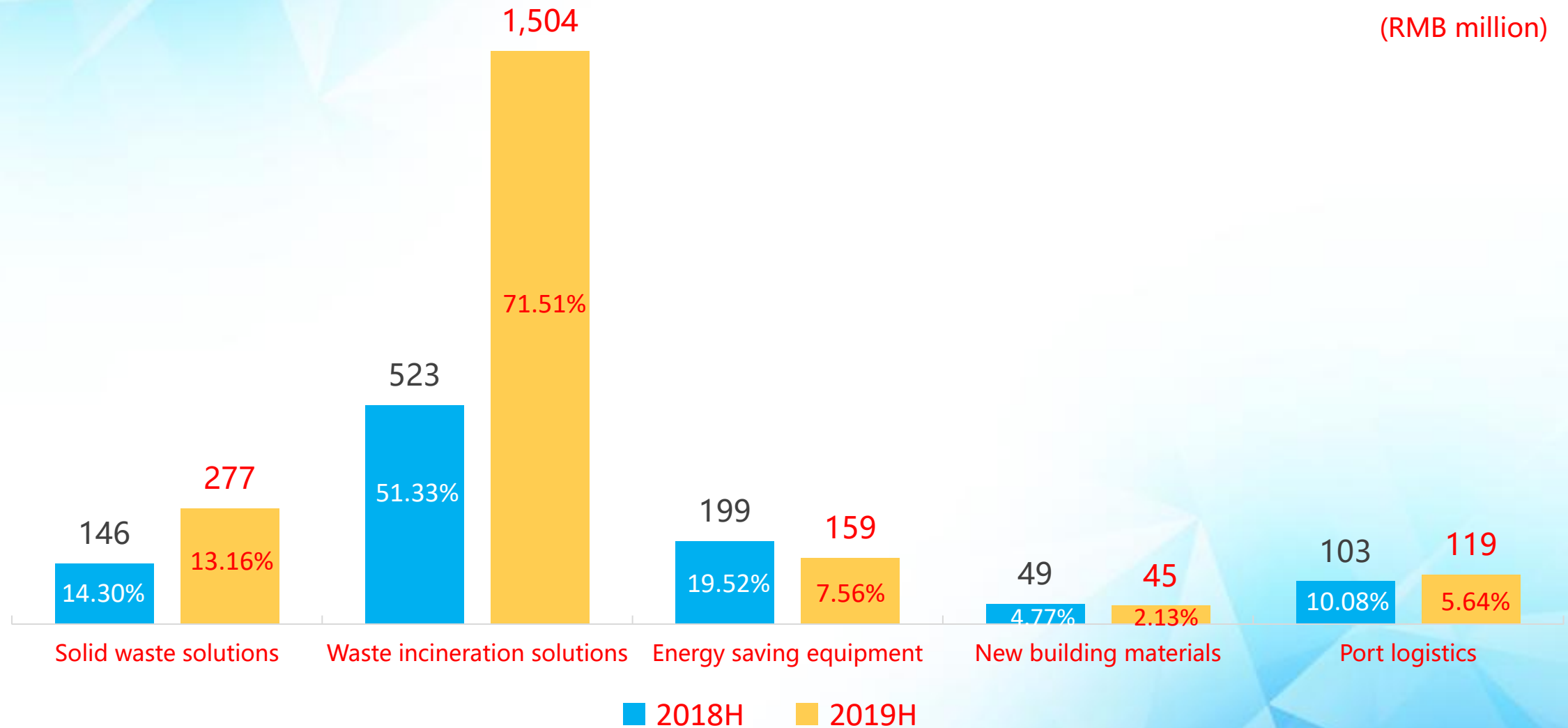
# Financial Situation

(RMB million)



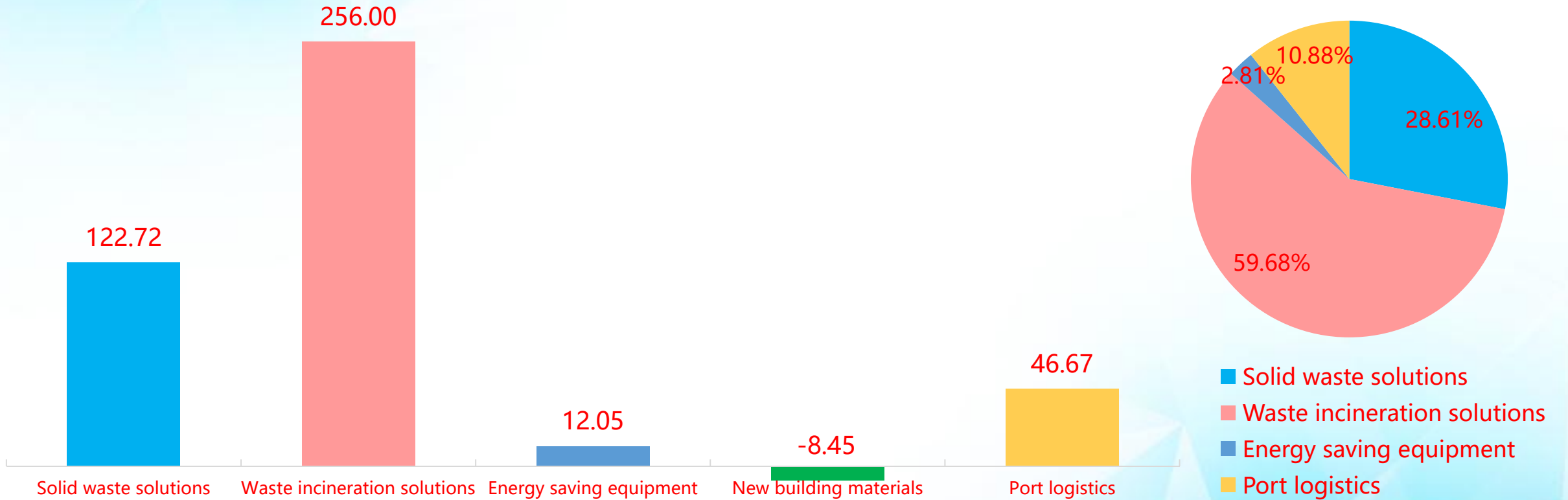
# Revenue by Segments and Proportion

(RMB million)



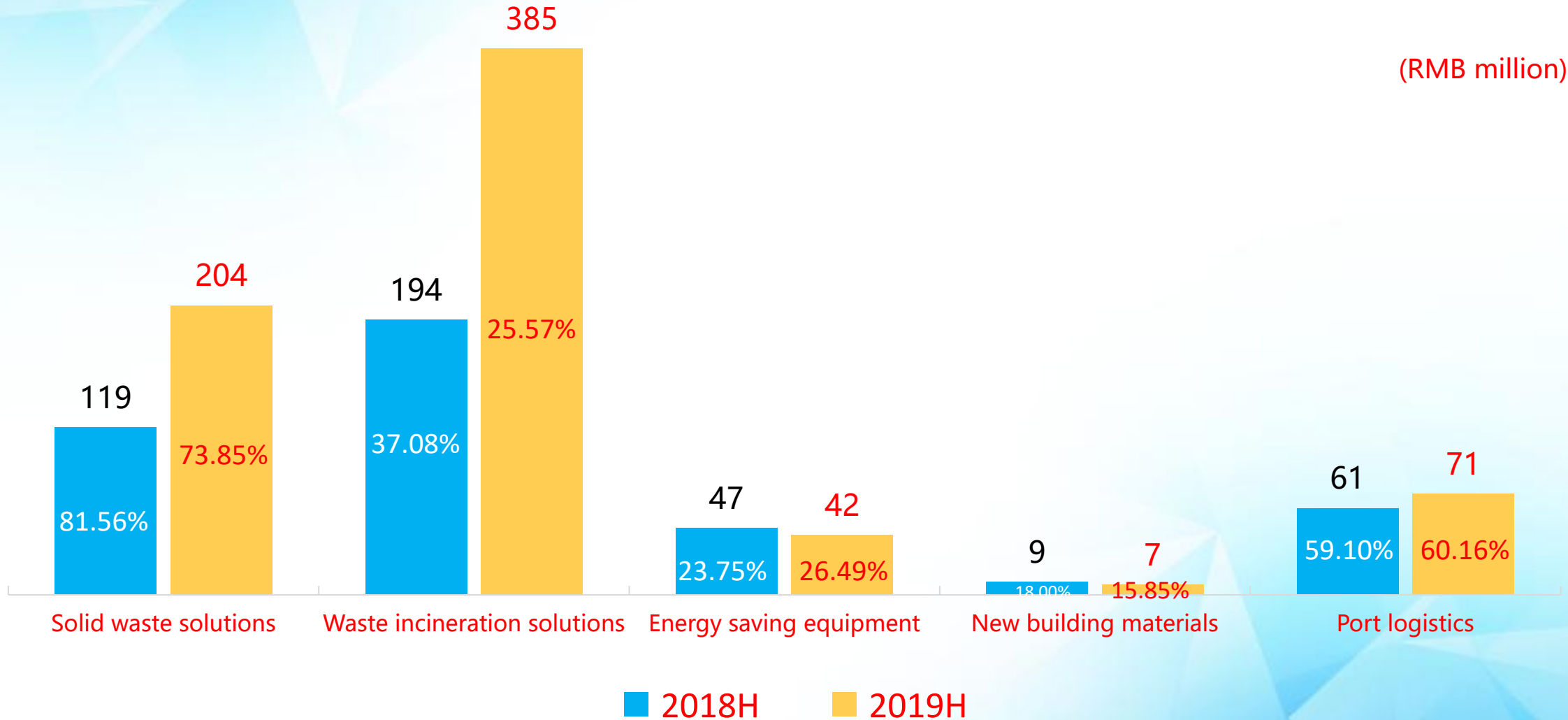
## Net Profit Attributable to Parent Company by Segments and Proportion

(RMB million)



# Gross Profit and Gross Profit Margin by Segments

(RMB million)







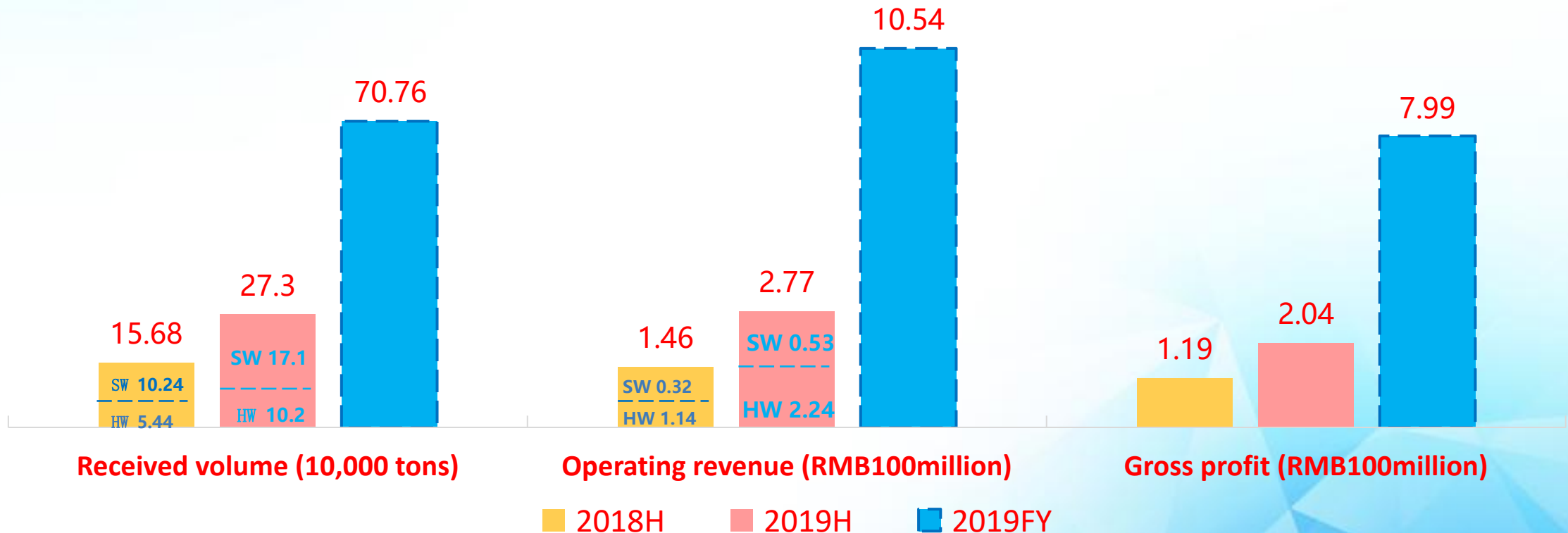
## 2. Results Overview

# Solid Waste Solutions

# Business Review

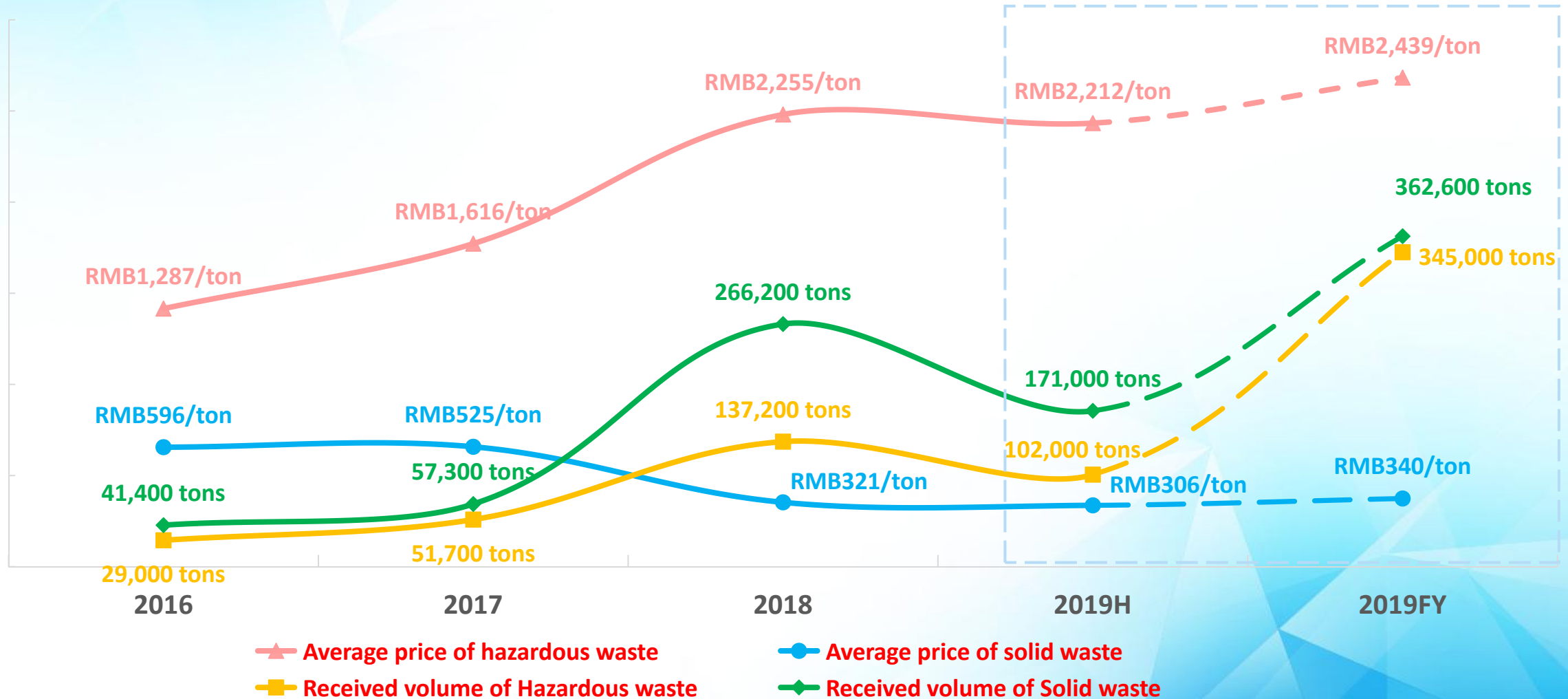
As of 2019H, **12** projects were in operation.

- The received volume was **273,000** tons; of which: **102,000** tons of hazardous waste and **171,000** tons of solid waste.
- Realized operating revenue of RMB **277** million; among which RMB **224** million were from hazardous waste, accounting for **81.10%**, and RMB **52.31** million were from solid waste, accounting for **18.90%**;
- The gross profit was RMB**204** million; the comprehensive gross profit margin of the products reached **73.85%**, including: **77.01%** for hazardous waste and **60.27%** for solid waste.



# Business Review

The chart shows the trend of volume and price in **2016, 2017, 2018, 2019H** and **2019FY**.



# Data on Solid and Hazardous Waste Solutions in 2019H

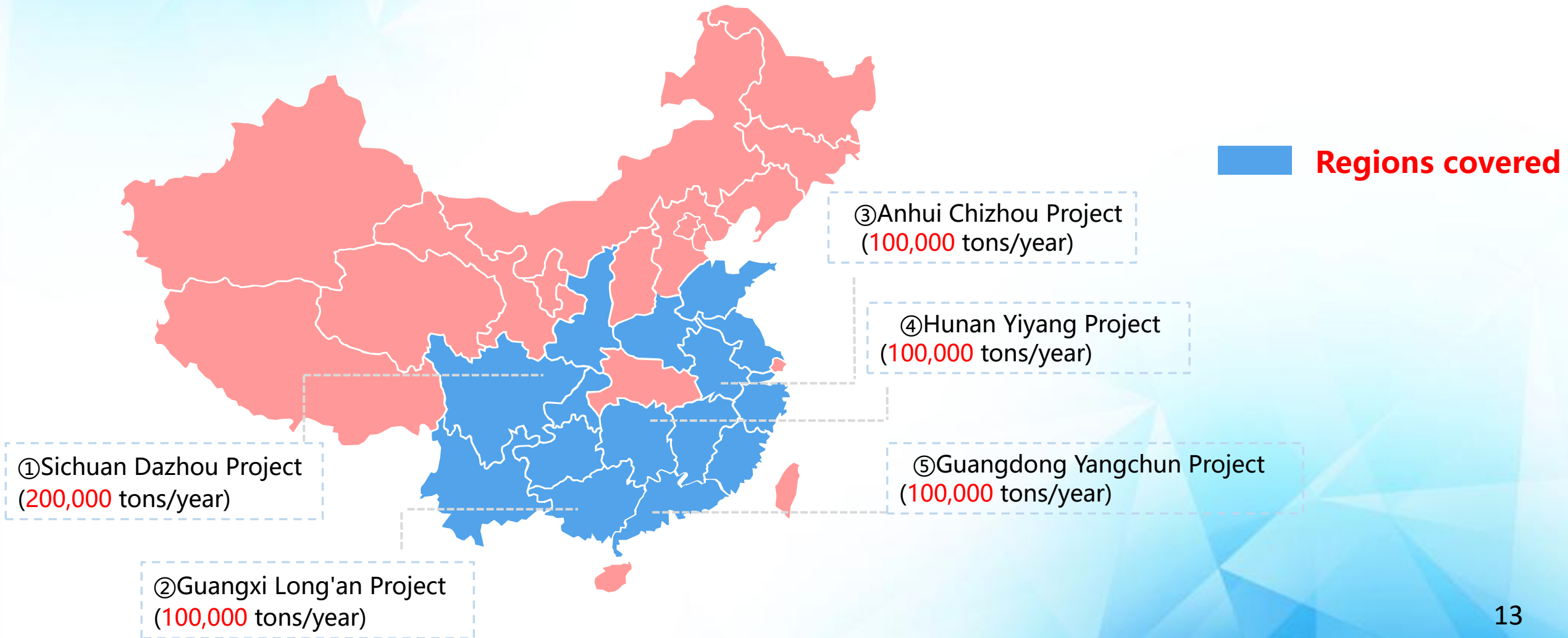
	Treatment variety	Receiving capacity	Average price including tax/excluding tax (RMB)	Operating revenue	Net profit
<b>Wuhu Conch Venture Environmental Protection Platform</b> (Note 1)	General solid waste	134,200 tons	207/237	201 million	115 million
	Hazardous waste	75,000 tons	2,257/2,578		
<b>Yaobai Joint Venture Platform</b> (Note 2)	General solid waste	36,900 tons	662/757	75.63 million	51.14 million
	Hazardous waste	26,400 tons	1,940/2,216		

**Remark:**

- Note 1: "Wuhu Conch Venture Environmental Protection Platform" comprises Wuhu Conch Venture Environmental Protection Co., Ltd. and its subsidiaries. Its form of investment is mainly whole ownership.
- Note 2: Joint venture platform between the Company and West China Cement comprises Yaobai Environmental and its subsidiaries.
- The solid waste disposal varieties of Wuhu Conch Venture Environmental Protection and its subsidiaries are mainly municipal sludge. The solid waste disposal of Yaobai Environmental includes the fluorine-containing Samsung Electronics and municipal sludge.
- Wuhu Conch Venture Environmental Protection and its subsidiaries dispose **24** kinds of hazardous wastes including: HW02 pharmaceutical waste, HW04 pesticide waste, HW08 waste mineral oil and mineral oil-containing waste, HW11 fine (steaming) residue and HW17 surface treatment waste.
- Yaobai Environmental dispose **24** kinds of hazardous wastes including: HW08 waste mineral oil and mineral oil- containing waste, HW09 oil/water, hydrocarbon/water mixture or emulsifier, HW12 fuel, paint waste, HW17 surface treatment waste and HW50 waste catalyst.

## New Contracts Since 2019

The Company leverages cement kiln resources of Conch series to seek nationwide expansion. So far in 2019, the Company has acquired **5** solid waste solutions projects, with capacity increased by **600,000** tons/year



## Multi-channel Integrated Development Strategy

In 2019H, the Company signed cooperation agreements with **CNBM**, **Shanshui Cement**, **Mengxi Cement** and **Ninghai Xingyuantai**.

The Company established cooperation with **CNBM** to incorporate a joint venture in Hong Kong.



Mar

Singed strategic cooperation agreement with **Mengxi Cement**.



May

Signed project cooperation agreement with **Ninghai Xingyuantai**.

Jun

2019

Feb

**Haizhong Environmental Protection** was incorporated.

Apr

Signed strategic cooperation agreement with **Shanshui Cement**.



# Joint Solid Waste Projects

No.	Construction status	Partner	Name	Region	Processing capacity	Date of operation	Means of Cooperation
1	<b>Completed</b>	South Cement	Sanming South	Fujian	100,000 tons/year (hazardous waste qualification of <b>37,500</b> tons)	Aug 2019	35% equity held by Haizhong
Subtotal					<b>100,000 tons/year</b>		
2	<b>Projects under construction</b>	China United Cement	Luoyang China United	Henan	100,000 tons/year	Aug 2020	100% equity held by Haizhong
3			Jiyuan China United		100,000 tons/year	Sept 2020	
4			Dezhou China United	Shandong	100,000 tons/year	May 2020	50% equity held by Haizhong
5		South Cement	Xinjie South	Jiangsu	100,000 tons/year	Nov 2019	35% equity held by Haizhong
6	<b>Approved for construction</b>	China United Cement	Dengfeng China United	Henan	100,000 tons/year	/	100% equity held by Haizhong
7		Sinoma Cement	Sinoma Luoding	Guangdong	80,000 tons/year		40% equity held by Haizhong
8		South Cement	Shanya South	Zhejiang	200,000 tons/year		65% equity held by Haizhong
Subtotal					<b>780,000 ton/year</b>		
<b>Total</b>					<b>880,000 ton/year</b>		

Remark: "Haizhong" refers to Anhui Haizhong Environmental Protection Co., Ltd, which is a wholly-owned subsidiary of Haijian Hong Kong and mainly engaged in the solid and hazardous waste disposal business of CNBM.

## Completed Projects (Solid and Hazardous Waste)

No.	Construction status	Project location	Processing capacity	Hazardous waste qualification	Date of operation	Remark
1	Completed	Lantian County, Shaanxi Province	90,000 tons/year		Jan 2015	General solid waste
2		Fuping County, Shaanxi Province	100,000 tons/year	100,000 tons/year	Apr 2016	
3		Qian County, Shaanxi Province	70,000 tons/year	63,600 tons/year	Apr 2017	
4		Huaining County, Anhui Province	70,000 tons/year		Sept 2017	General solid waste
5		Mian County, Shaanxi Province	45,000 tons/year		Oct 2017	General solid waste
6		Huaibei City, Shaanxi Province	70,000 tons/year		Dec 2017	General solid waste
7		Wuhu City, Anhui Province	2×100,000 tons/year	Phase I 68,000 tons/year Phase II 55,000 tons/year	Dec 2017	
8		Yiyang County, Jiangxi Province (Phase I)	100,000 tons/year	85,000 tons/year	May 2018	
9		Xingye County, Guangxi Province (Phase I)	100,000 tons/year	95,000 tons/year	Aug 2018	
10		Suzhou City, Anhui Province (Phase I)	100,000 tons/year	45,000 tons/year	Aug 2018	
11		Qianyang County, Shaanxi Province	100,000 tons/year	100,000 tons/year	Oct 2018	
12		Zhong County, Chongqing City	2×100,000 tons/year	40,000 tons/year	Jun 2019	
13		Xianyang City, Shaanxi Province	300,000 tons/year		Aug 2019	General solid waste
14		Wenshan City, Yunnan (Phase I)	100,000 tons/year	60,000 tons/year	Aug 2019	
		<b>Subtotal</b>	<b>164,500 tons/year</b>	<b>711,600 tons/year</b>		



## Projects Under and Approved For Construction **CONCH VENTURE** (Solid and Hazardous Waste)

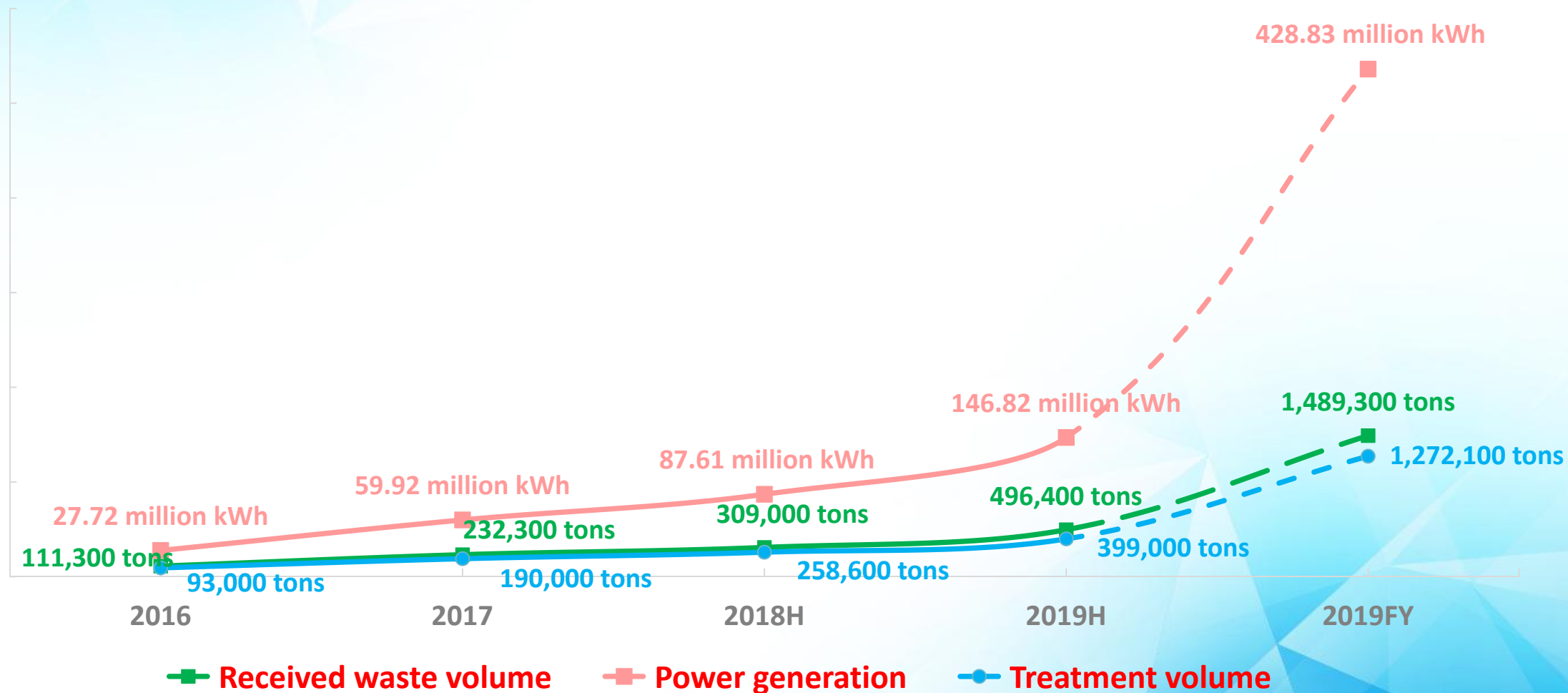
No.	Construction status	Project location	Processing capacity	Expected date of operation	Remark
15	<b>Projects under construction</b>	Yiyang County, Jiangxi Province (Phase II)	100,000 tons/year	Oct 2019	
16		Liangping Area, Chongqing City	100,000 tons/year	Nov 2019	General solid waste
17		Xingye County, Guangxi Region (Phase II)	100,000 tons/year	Nov 2019	
18		Tongchuan City, Shaanxi Province	100,000 tons/year	Nov 2019	
19		Qingzhen City, Guizhou Province	100,000 tons/year	Nov 2019	
20		Sishui County, Shandong Province	100,000 tons/year	Dec 2019	
21		Guangyuan City, Sichuan Province	100,000 tons/year	Jan 2020	General solid waste
22		Qiyang County, Hunan Province	100,000 tons/year	Jan 2020	
23		Yangchun City, Guangdong Province	100,000 tons/year	Jun 2020	
24		Xinyuantai, Ninghai, Zhejiang	100,000 tons/year	Nov 2020	Resource recycling
		<b>Subtotal</b>	<b>1,000,000 tons/year</b>		
25	<b>Approved for construction</b>	Suzhou City, Anhui Province (Phase II)	100,000 tons/year	/	
26		Wenshan City, Yunnan Province (Phase II)	100,000 tons/year		
27		Linxiang City, Hunan Province	100,000 tons/year		
28		Yiyang City, Hunan Province	100,000 tons/year		
29		Dazhou City, Sichuan Province	200,000 tons/year		General solid waste
30		Long' an County, Guangxi Province	100,000 tons/year		
31		Chizhou City, Anhui Province	100,000 tons/year		General solid waste
		<b>Subtotal</b>	<b>800,000 tons/year</b>		
		<b>Total</b>	<b>4,325,000 tons/year</b>		



# Waste Incineration Business Review

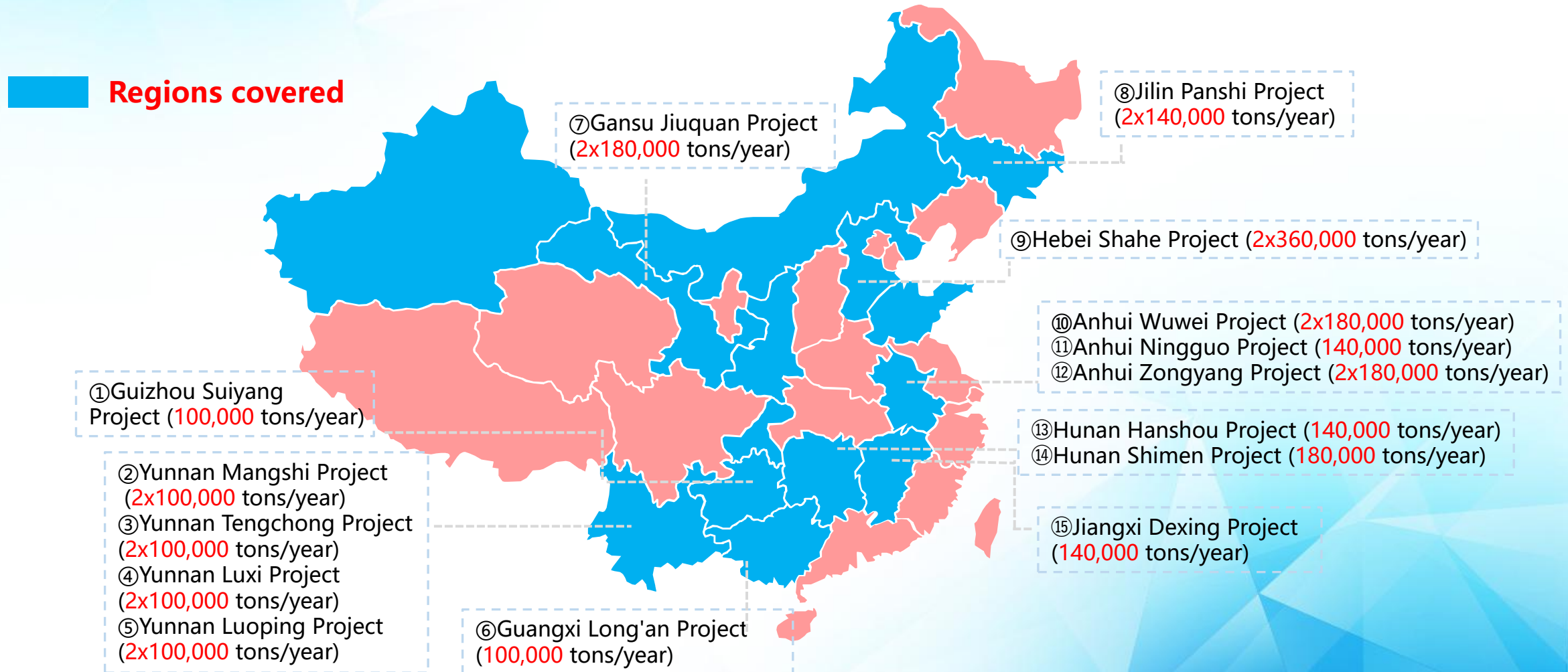
# Business Review

During the reporting period, there were **7** projects in operation. The graph shows the indicative trend of **2016, 2017, 2018H, 2019H** and **2019FY**.



# New Contracts Since 2019

Since 2019, the Company has obtained **15** new waste incarcination projects, with capacity increased by approximately **3.68** million tons/year.



## Completed Projects and Projects Under Construction (Grate Furnace)

No.	Construction status	Project location	Processing capacity	Expected date of operation	Remark
1	Completed	Jinzhai County, Anhui Province	100,000 tons/year (300 tons/day)	Jan 2016	
2		Tongren City, Guizhou Province	2×100,000 tons/year (2×300 tons/day)	July 2017	
3		Yanshan County, Yunnan Province	70,000 tons/year (200 tons/day)	Aug 2017	
4		Huoqiu County, Anhui Province	2×140,000 tons/year (2×400 tons/day)	Jan 2018	
5		Li County, Hunan Province (Phase I)	100,000 tons/year (300 tons/day)	Apr 2018	Two phases of construction
6		Songming County, Yunnan Province	100,000 tons/year (300 tons/day)	Jan 2019	
7		Shanggao County, Jiangxi Province	140,000 tons/year (400 tons/day)	Feb 2019	
8		Yiyang County, Jiangxi Province (Phase I)	100,000 tons/year (300 tons/day)	Jun 2019	Two phases of construction
9		Shache County, Xinjiang Region	2×100,000 tons/year (2×300 tons/day)	Jun 2019	
10		Sishui County, Shandong Province	140,000 tons/year(400 tons/day)	Jun 2019	
11		Bole City, Xinjiang Region	100,000 tons/year (300 tons/day)	July 2019	
		<b>Subtotal</b>	<b>1,530,000 tons/year (4,500 tons/day)</b>		
12	Projects under construction	Yang County, Shaanxi Province	100,000 tons/year (300 tons/day)	Oct 2019	
13		Li County, Hunan Province (Phase II)	140,000 tons/year(400 tons/day)	Nov 2019	
14		Yiyang County, Jiangxi Province (Phase II)	100,000 tons/year (300 tons/day)	Nov 2019	
15		Baoshan City, Yunnan Province	2×140,000 tons/year (2×400 tons/day)	Jan 2020	
16		Fuquan City, Guizhou Province	100,000 tons/year (300 tons/day)	Jan 2020	
17		Lujiang County, Anhui Province (Phase I)	180,000 tons/year (500 tons/day)	Jan 2020	Two phases of construction
18		Huoshan County, Anhui Province	140,000 tons/year(400 tons/day)	Apr 2020	
19		Xianyang, Shaanxi Province (Phase I)	500,000 tons/year (1500 tons/day)	May 2020	Two phases of construction
20		Shizhu County, Chongqing City	100,000 tons/year (300 tons/day)	June 2020	
21		Xishui County, Guizhou Province	140,000 tons/year(400 tons/day)	June 2020	
22		Jinzhai County, Anhui Province (Phase II)	100,000 tons/year (300 tons/day)	Aug 2020	
23		Ningguo City, Anhui Province	140,000 tons/year(400 tons/day)	Sep 2020	
24		Tengchong City, Yunnan Province (Phase I)	100,000 tons/year (300 tons/day)	Nov 2020	Two phases of construction
25		Manzhouli, Inner Mongolia	140,000 tons/year(400 tons/day)	Nov 2020	
		<b>Subtotal</b>	<b>2,260,000 tons/year (6,600 tons/day)</b>		

## Projects Approved for Construction (Grate Furnace)

No.	Construction status	Project location	Processing capacity	Expected date of operation	Remark	
26	<b>Approved for construction</b>	Shucheng County, Anhui Province	140,000 tons/year (400 tons/day)	/		
27		Xianyang, Shaanxi (Phase II)	500,000 tons/year (1500 tons/day)			
28		Xishui, Guizhou (Phase II)	140,000 tons/year (400 tons/day)			
29		Zhenxiong County, Yunnan Province	2×180,000 tons/year (2×500 tons/day)			Two phases of construction
30		Tongchuan City, Shaanxi Province	180,000 tons/year (500 tons/day)			
31		Thái Nguyên Province, Vietnam	180,000 tons/year (500 tons/day)			
32		Lujiang County, Anhui (Phase II)	180,000 tons/year (500 tons/day)			
33		Mang City, Yunnan Province	2×100,000 tons/year (2×300 tons/day)			Two phases of construction
34		Wuwei County, Anhui Province	2×180,000 tons/year (2×500 tons/day)			
35		Suiyang County, Guizhou Province	100,000 tons/year (300 tons/day)			
36		Hanshou County, Hunan Province	140,000 tons/year (400 tons/day)			
37		Tengchong City, Yunnan (Phase II)	100,000 tons/year (300 tons/day)			
38		Luxi County, Yunnan Province	2×100,000 tons/year (2×300 tons/day)			
39		Jiuquan City, Gansu Province	2×180,000 tons/year (2×500 tons/day)			Two phases of construction
40		Luoping County, Yunnan Province	2×100,000 tons/year (2×300 tons/day)			
41		Long' an County, Guangxi Province	100,000 tons/year (300 tons/day)			
42		Panshi City, Jilin Province	2×140,000 tons/year (2×400 tons/day)			Two phases of construction
43		Dexing City, Jiangxi Province	140,000 tons/year (400 tons/day)			
44		Zongyang County, Anhui Province	2×180,000 tons/year (2×500 tons/day)			Two phases of construction
45		Shimen County, Hunan Province	180,000 tons/year (500 tons/day)			
46		Shahe City, Hebei Province	2×360,000 tons/year (2×1000 tons/day)			Two phases of construction
<b>Subtotal</b>			<b>5,120,000 tons/year (14,600 tons/day)</b>			

# Completed Projects (CKK)

No.	Construction status	Project location	Business model	Processing capacity	Remark
1	Completed	Pingliang City, Gansu Province	BOT	100,000 tons/year (300 tons/day)	Jointly developed with CNBM
2		Qingzhen City, Guizhou Province		100,000 tons/year (300 tons/day)	
3		Yangchun City, Guangdong Province		70,000 tons/year (200 tons/day)	
4		Yuping County, Guizhou Province		30,000 tons/year (100 tons/day)	
5		Xishui County, Guizhou Province		100,000 tons/year (300 tons/day)	
6		Qiyang County, Hunan Province		100,000 tons/year (300 tons/day)	
7		Shimen County, Hunan Province		70,000 tons/year (200 tons/day)	
8		Shuicheng County, Guizhou Province		70,000 tons/year (200 tons/day)	
9		Fusui County, Guangxi Province		70,000 tons/year (200 tons/day)	
10		Shuangfeng County, Hunan Province		70,000 tons/year (200 tons/day)	
11		Baoshan City, Yunnan Province		100,000 tons/year (300 tons/day)	
12		Nanjiang County, Sichuan Province		70,000 tons/year (200 tons/day)	
13		Lingyun County, Guangxi Province		30,000 tons/year (100 tons/day)	
14		Ningguo City, Anhui Province		100,000 tons/year (300 tons/day)	
15		Linxiashou, Gansu Province		100,000 tons/year (300 tons/day)	
16		Xing' an County, Guangxi Province		100,000 tons/year (300 tons/day)	
17		Yingjiang County, Yunnan Province		70,000 tons/year (200 tons/day)	
		<b>Subtotal</b>		<b>1,350,000 tons/year (4,000 tons/day)</b>	
		<b>Total</b>		<b>10,260,000/year (29,700 tons/day)</b>	

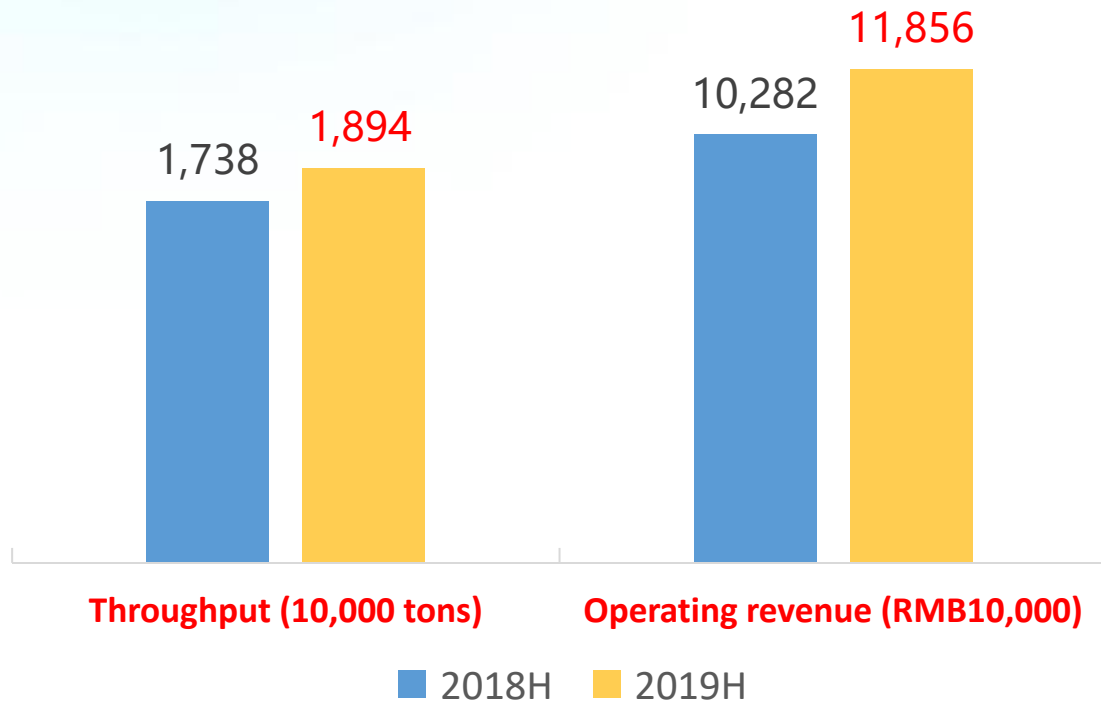
# Waste Disposal Revenue Composition

Revenue Composition	2019H		2018H		Change in amount(%)	Change in proportion (Percentage point)
	Amount (RMB1,000)	Proportion (%)	Amount (RMB1,000)	Proportion (%)		
<b>Construction revenue</b>	<b>1,350,712</b>	<b>89.80</b>	<b>407,318</b>	<b>77.81</b>	<b>231.61</b>	<b>11.99</b>
Waste treatment by cement kilns	11,551	0.77	37,080	7.08	-68.85	-6.31
Grate furnace waste power generation	1,339,161	89.03	370,238	70.73	261.70	18.30
<b>Operating revenue</b>	<b>103,328</b>	<b>6.87</b>	<b>66,752</b>	<b>12.75</b>	<b>54.79</b>	<b>-5.88</b>
Waste treatment by cement kilns	25,119	1.67	20,890	3.99	20.24	-2.32
Grate furnace waste power generation	78,209	5.20	45,862	8.76	70.53	-3.56
<b>Interest income</b>	<b>50,132</b>	<b>3.33</b>	<b>49,396</b>	<b>9.44</b>	<b>1.49</b>	<b>-6.11</b>
Waste treatment by cement kilns	29,974	1.99	34,101	6.52	-12.10	-4.53
Grate furnace waste power generation	20,158	1.34	15,295	2.92	31.79	-1.58
<b>Total</b>	<b>1,504,172</b>	<b>100.00</b>	<b>523,466</b>	<b>100.00</b>	<b>187.35</b>	<b>-</b>

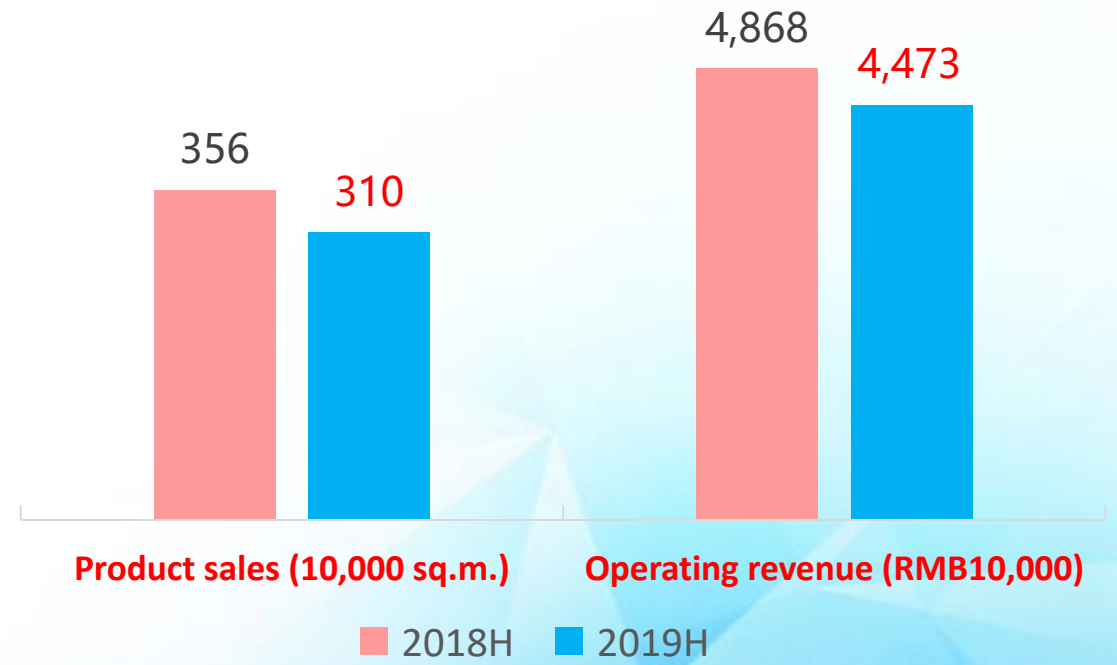


# New Building Materials and Port Logistics

- With respect to port logistics segment, the Company seized the strategic opportunity of “terminal renovation” period to explore quality customers. During the reporting period, throughput reached **18.94** million tons. Operating revenue was RMB**119** million, while product gross profit was RMB **71.33** million.
- With respect to new building materials segment, the Company actively developed new markets to increase product sales. During the reporting period, sales of products reached **3.1** million square meters; operating revenue amounted to RMB**44.73** million; product gross profit was **7.09** million.



Port Logistics



New Building Materials



## 3. Development Outlook

# Major Structure

Conch employees

49.36%

Institutional investors

45.41%

Cornerstone investment

5.23%

China Conch Venture Holdings Ltd.

Overseas

Domestic

① Solid waste solutions

② Waste incineration solutions

③ Energy-saving equipment

④ New building materials

⑤ Port logistics

⑥ Conch Group

49%

**Projects in operation**

Wuhu, Yiyang, Xingye, Suzhou, Huaining, Huaibei, Qian County, Fuping, Mian County, Lantian, Qianyang, Zhong County, XianYang, WenShan, SanMing (15 in total)

Capacity: **1.745 million tons/year**

**24 projects under construction**

Capacity: **2.58 million tons/year**  
See P.17 for details

**Grate furnace power generation projects in operation**

Jinzhai, Tongren, Yanshan, Huoqiu, Li County, Songming, Shanggao, Yiyang, ShaChe SiShui, BoLe (11 in total)  
Capacity: **1.53 million tons/year**

**CKK projects in operation**

Pingliang, Qingzhen, Yangchun, Xishui, Yuping, Qiyang, Shimen, Shuicheng, Fusui, Shuangfeng, Baoshan, Nanjiang, Lingyun, Ningguo, Linxia, Xing'an Yingliang (17 in total)  
Capacity: **1.35 million tons/year**

**35 projects under construction**

Capacity: **7.38 million tons/year**  
See P.23 for details

51

CK Equipment

51%

CK Engineering

51%

CK Shanghai

Established joint venture with Kawasaki Japan, engaged in the integration of energy-saving and environmental protection project design, complete sets of equipment, and overseas business expansion

Anhui Conch Venture  
Bozhou Conch Venture

Yangzhou Haichang

36.4%

Conch Cement

32.07%

Conch Profiles

Other companies

**Remarks:**

1. Cornerstone investors: including China National Building Material Co., Ltd., TCC Investment Group, and Asia Cement Co., Ltd.
2. Equity data as of July 2019.

# Development Direction

In the next five years, with “1133” as the development objective, the Group will strive to become **the number 1 comprehensive environmental protection group in China and a leading enterprise in the global arena.**

( “1133” refers to contract scale of **10** million tons/year of solid waste solutions and **18** million tons/year of waste incineration solutions, **31** million m<sup>2</sup>/year of sales of ACA panels for new building materials business, and **36** million tons/year of throughput for port logistics business)

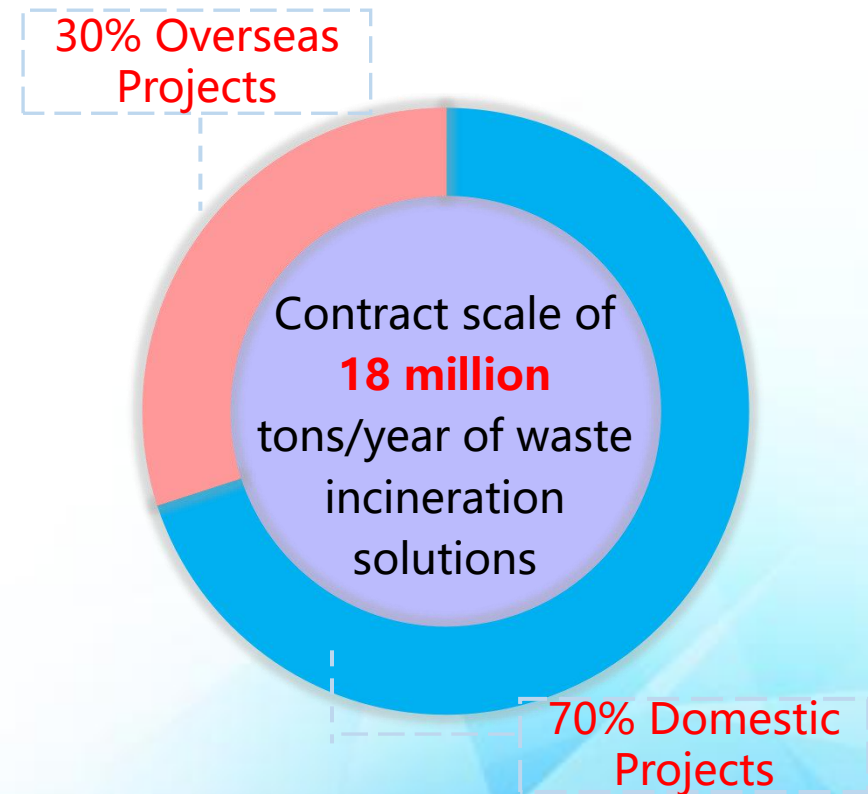
## Contract scale of solid waste solutions:



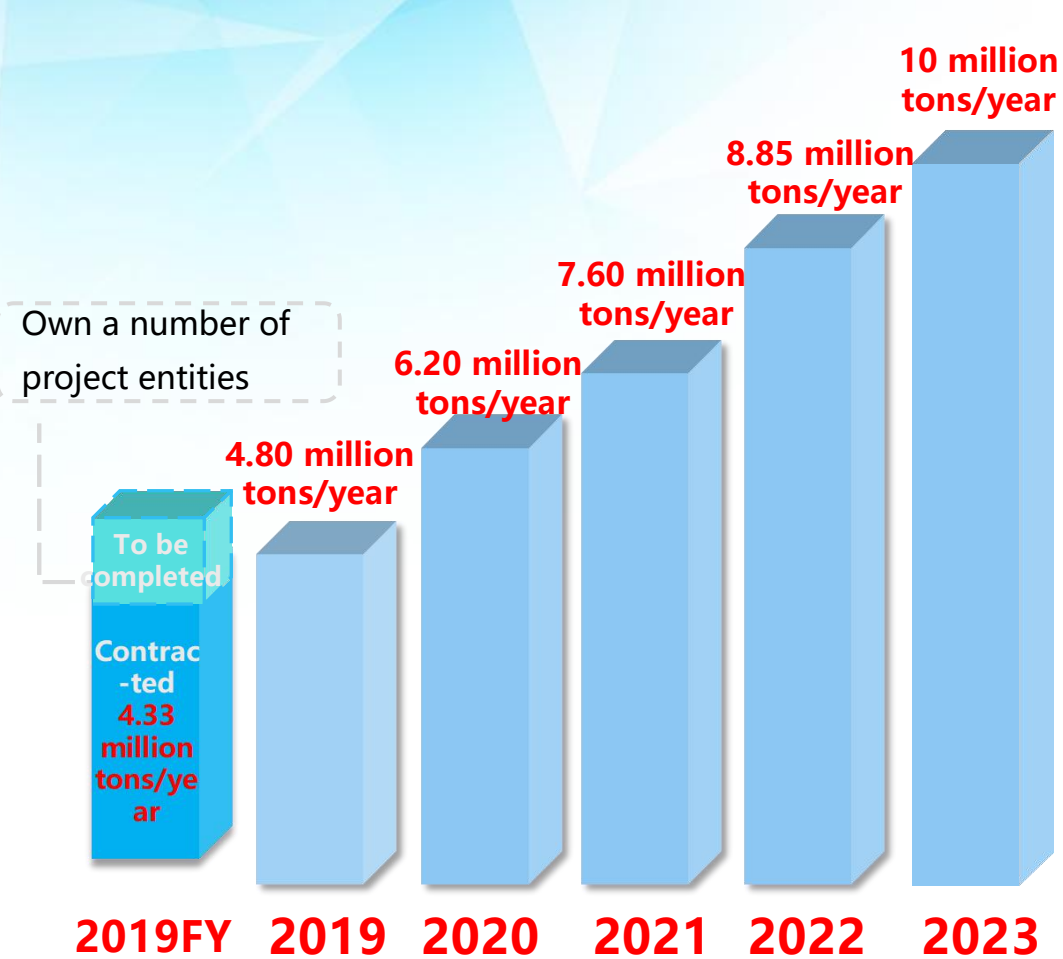
From types of waste:



From processing capacity distribution:

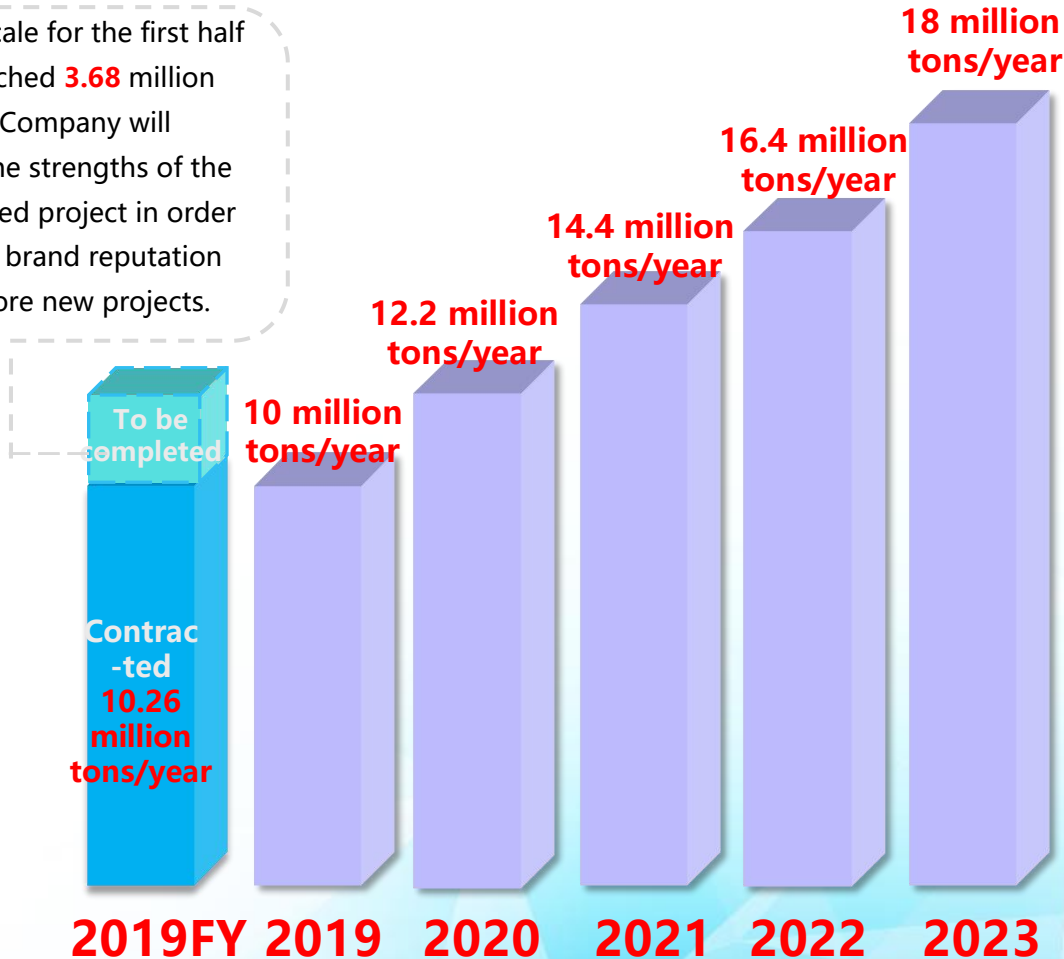


# Contract Scale Planning



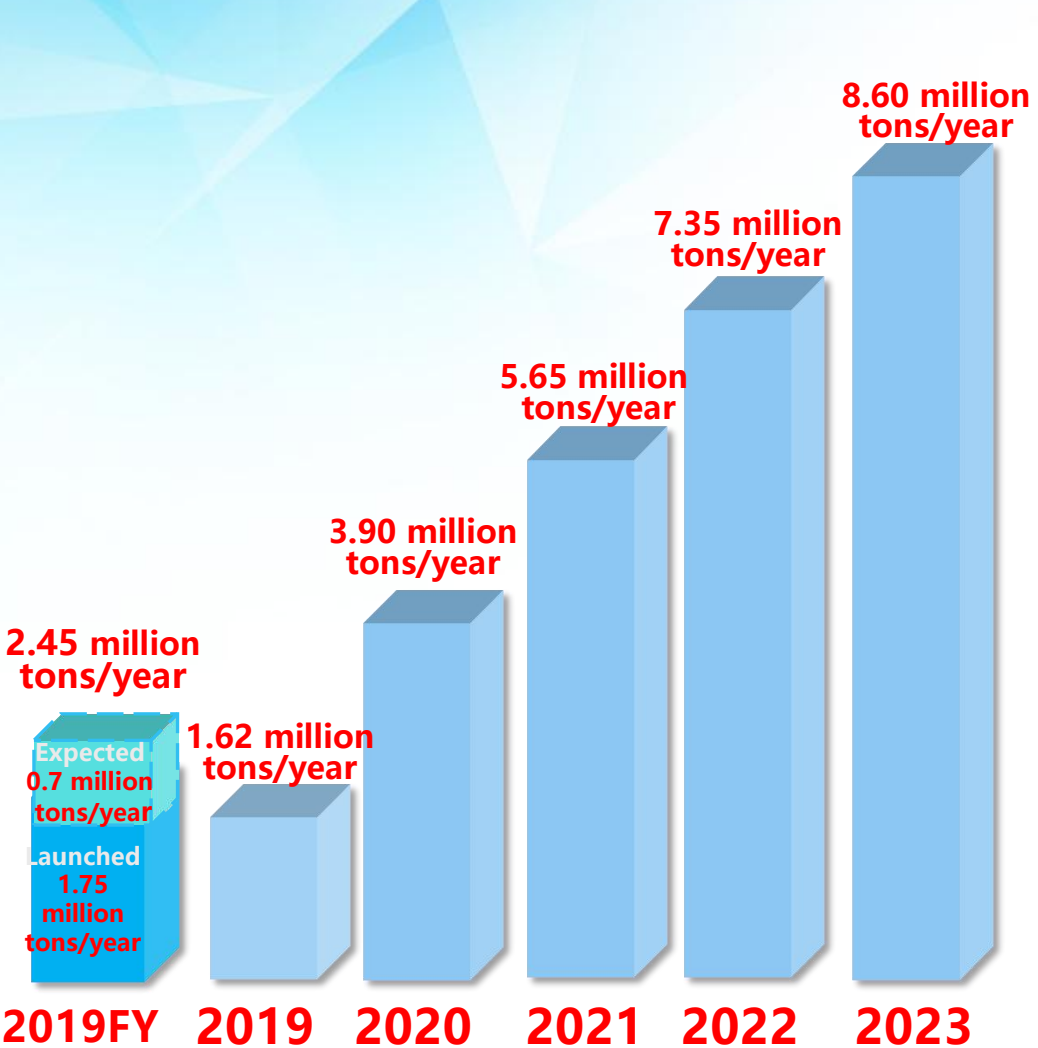
Solid Waste Solutions

The contract scale for the first half of the year reached 3.68 million tons/year. The Company will demonstrate the strengths of the already-launched project in order to increase the brand reputation and acquire more new projects.

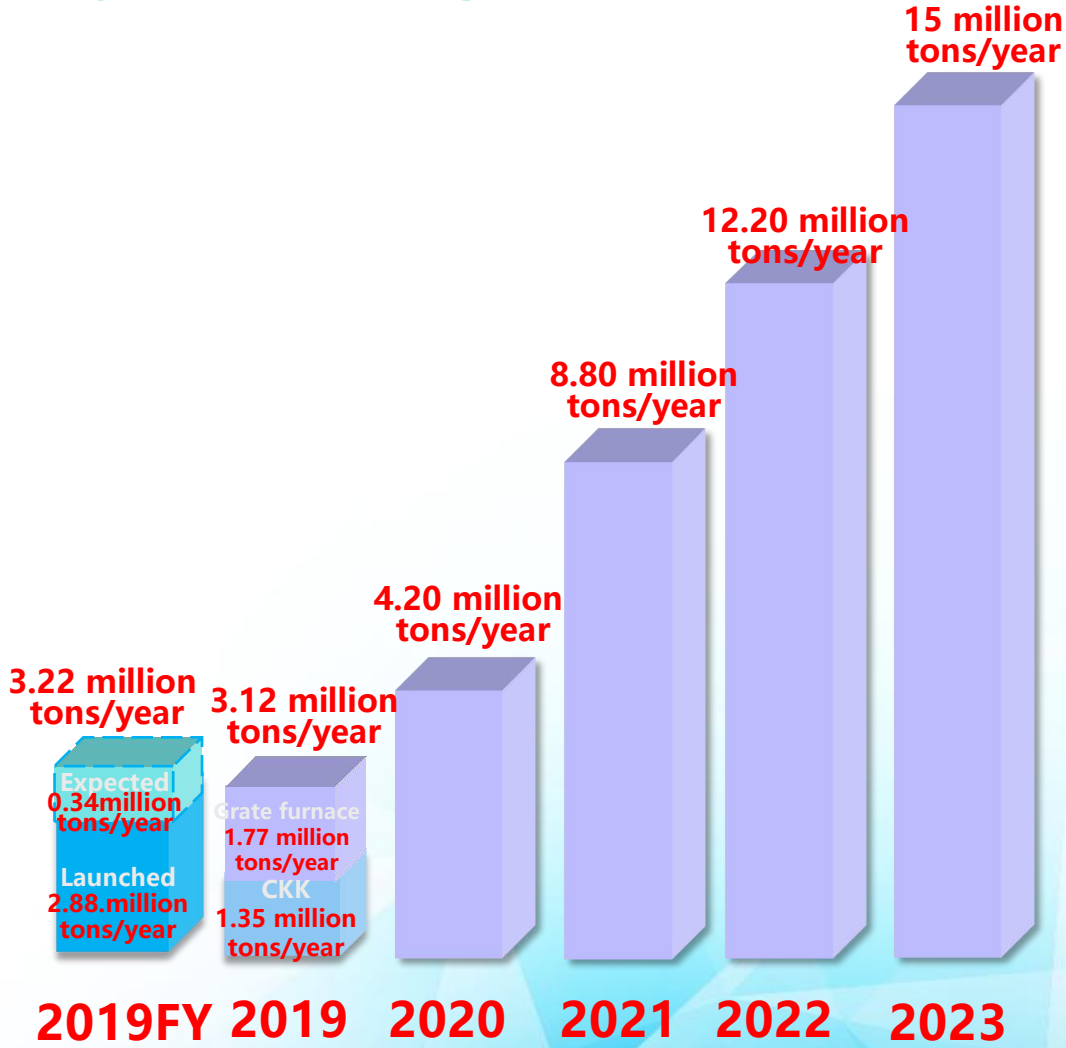


Waste Incineration Solutions

# Processing Capacity Planning



Solid Waste Solutions



Waste Incineration Solutions

# Development Outlook

## Technology R&D



Conduct preparatory work for the design of Environmental **Protection Research Institute**, and make further advances in R&D of fly ash washing, hazardous waste dry distillation, CKK to solid waste treatment, and household food waste treatment.

## Project Development



Deepen the strategic cooperation with **CNBM** and other cement enterprises, enhance innovative efforts in the research of non-cement kiln solid and hazardous waste treatment technology, accelerate the implementation of **overseas environmental protection projects** and conduct M&A in a timely manner.

## Capital Support



The Company has sufficient funds, and the gearing ratio is only **23.68%**. Future operation is underpinned by the **RMB30 billion** banking facilities and existing liquidity guarantee projects.

## Talent Guarantee



Implement "**612 343**" talent cultivation scheme to increase employee size sixfold, number of operational managers by 100, number of middle-level managers by 200, number of technology specialists threefold, and labor size of overseas projects by 300 staff. The number of employees will grow to **15,000** people in next five years.

# Projects Under Construction and Approved for CONCH VENTURE Construction of the Company





**THANKS**

