

2015中期业绩 INTERIM RESULTS



扫一扫，关注海螺创业

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

Contents



Company Profile



Energy Saving Business



Environmental Protection Business



New Building Materials Business



Port Logistics Business



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Company Profile

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Company Profile—Business Coverage

- The Company has the world's leading technology including waste disposal, residual heat utilization, equipment manufacturing, etc., with businesses covering residual heat power generation, high-efficient energy-saving vertical mill, waste incineration, new building materials, port logistics, etc.



Waste incineration



New Building Materials



Residual heat power generation and Vertical mills



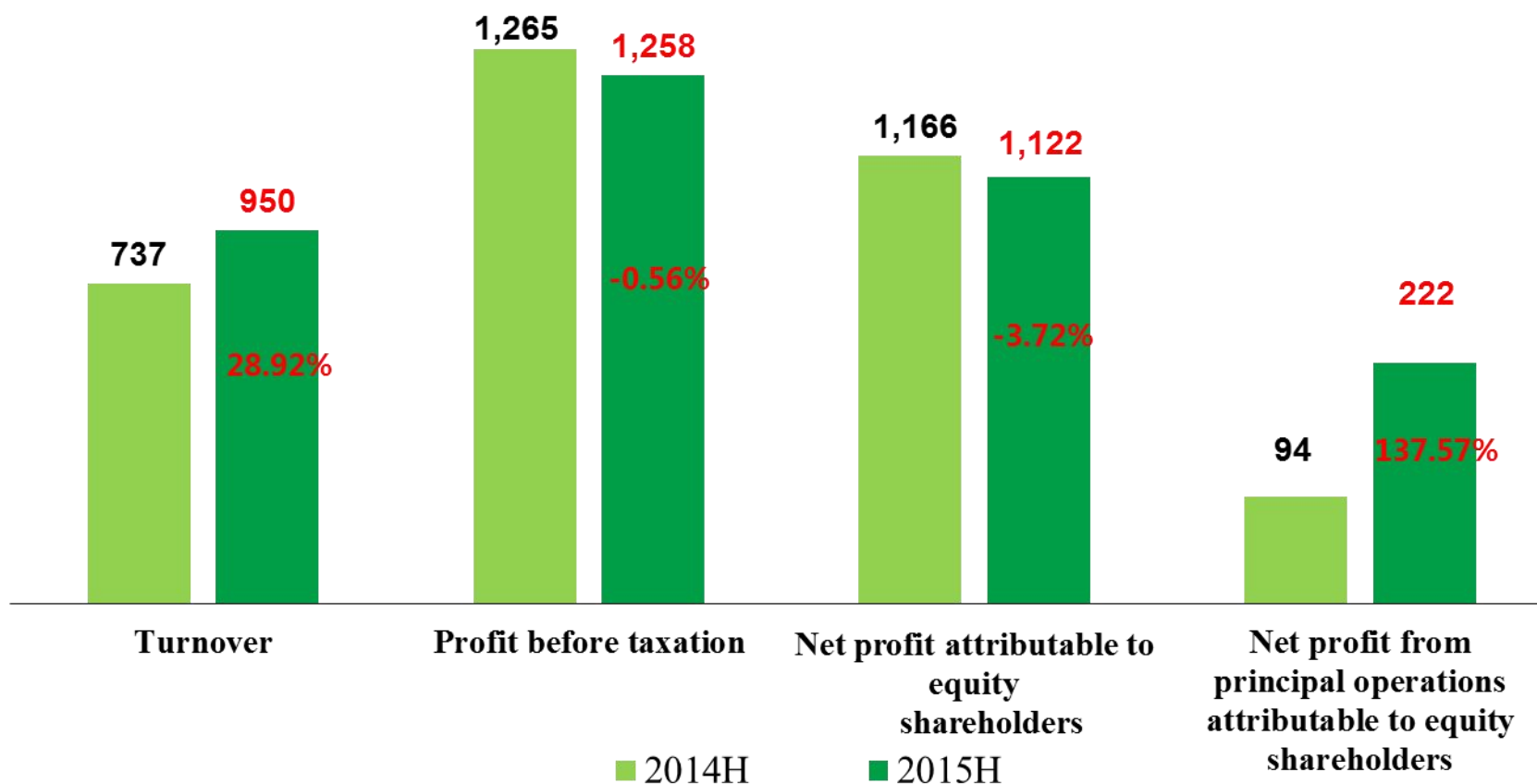
Port Logistics Services

Conch Venture

Company Profile—Financial Information¹

(RMB million)

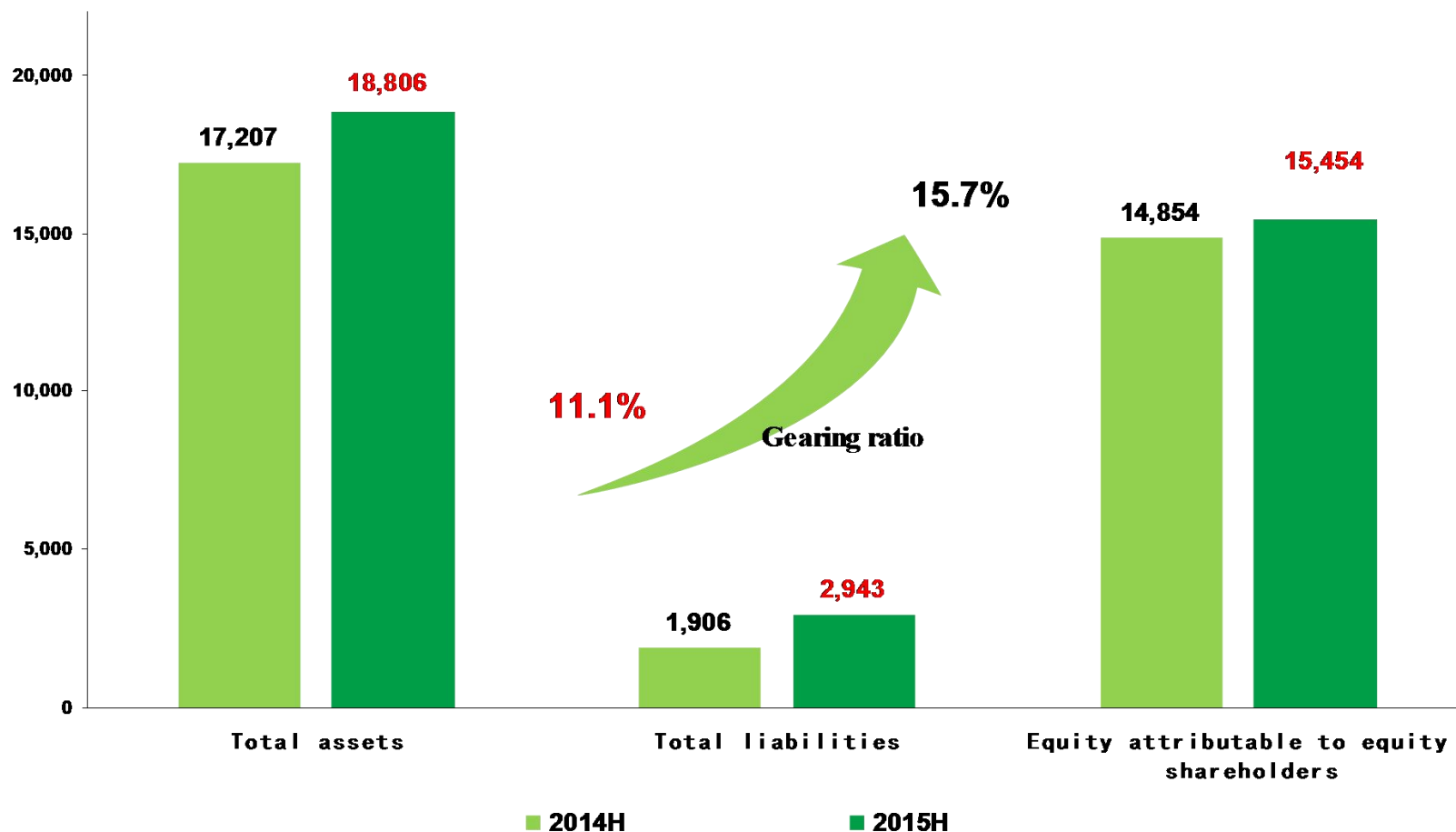
Business Performance



Company Profile—Financial Information²

(RMB million)

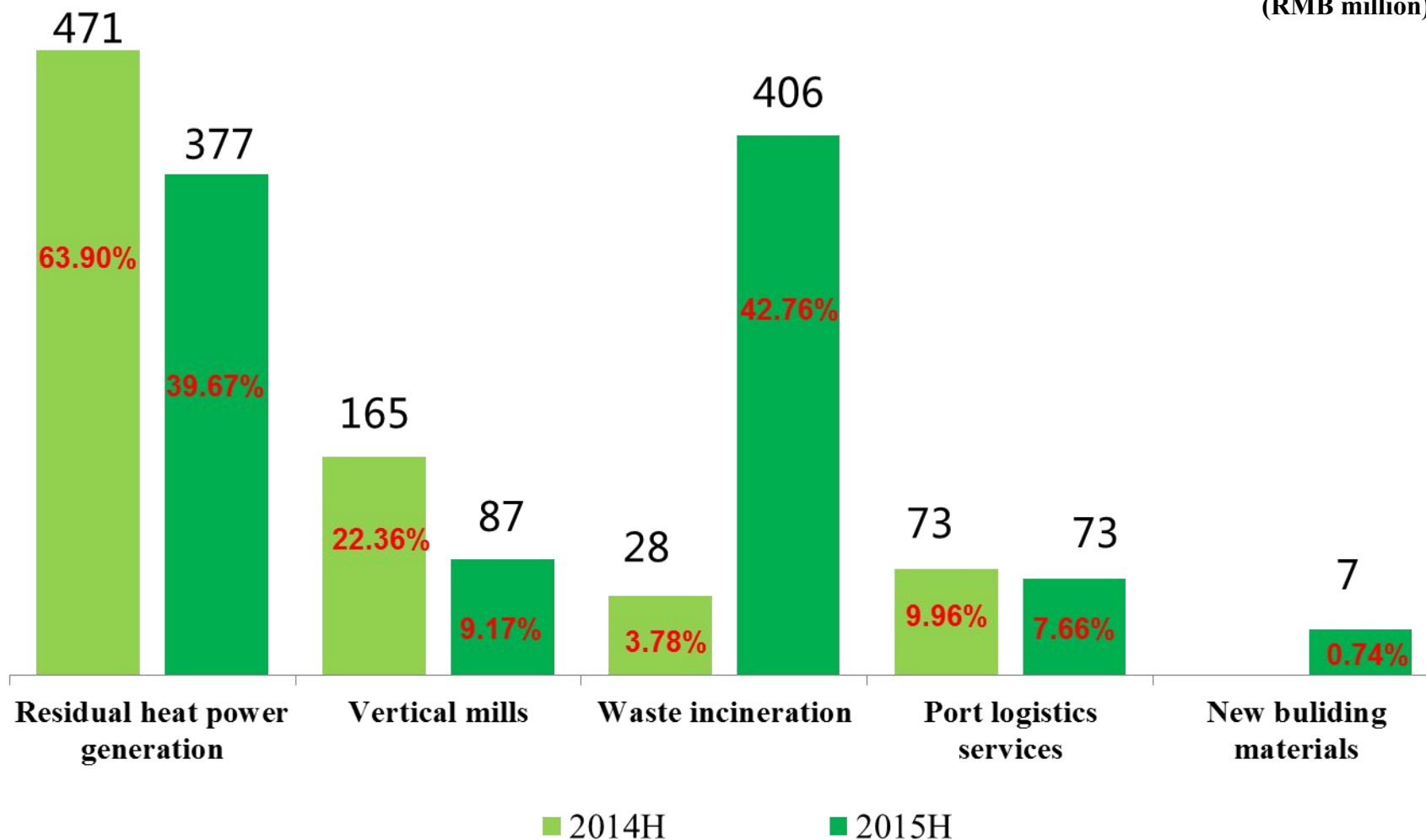
Assets and Liabilities



Company Profile—Financial Information³

Revenue by segments

(RMB million)

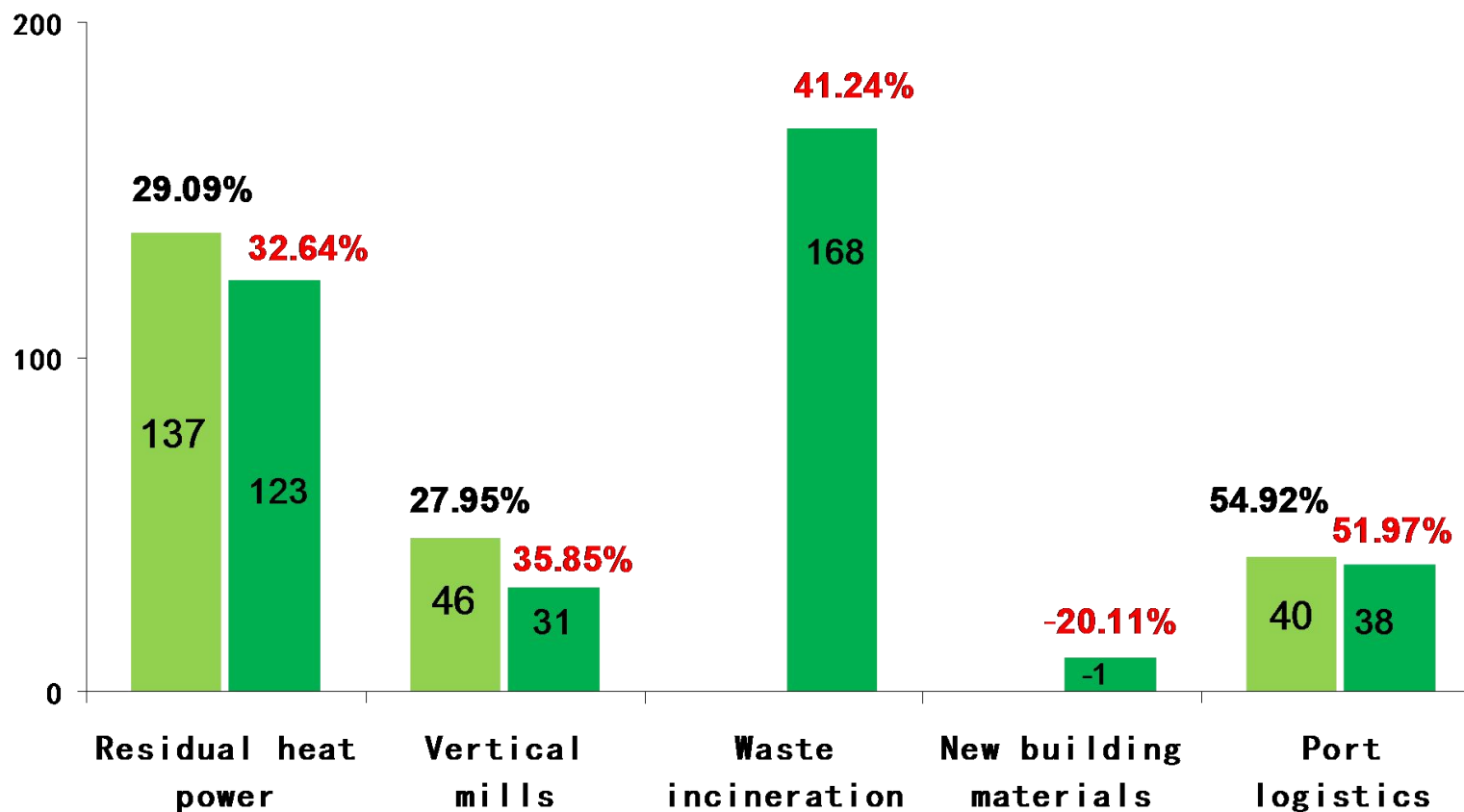


Company Profile—Financial Information⁴

- The consolidated gross profit margin of products of the Group for the first half of 2015 was **37.70%**, representing an increase of **5.56** percentage points as compared with the corresponding period of the previous year.

Gross profit and gross profit margin

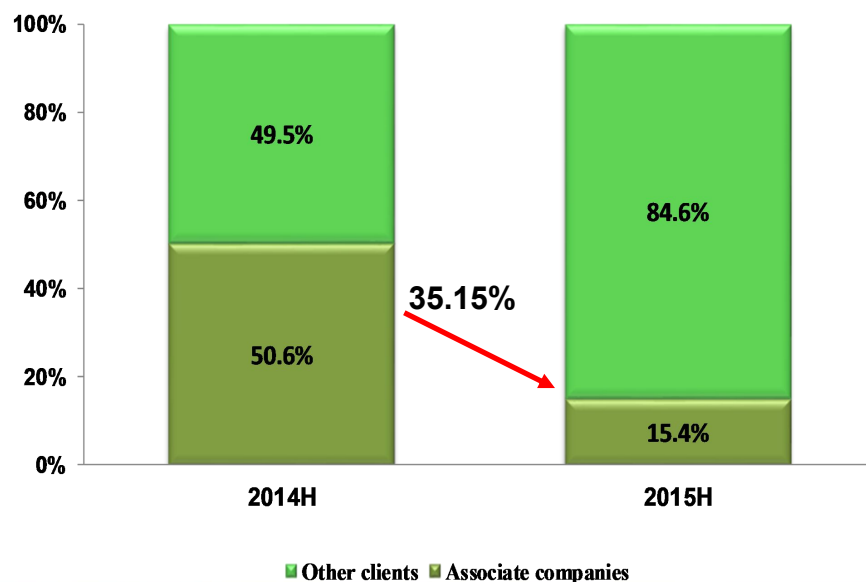
(RMB million)



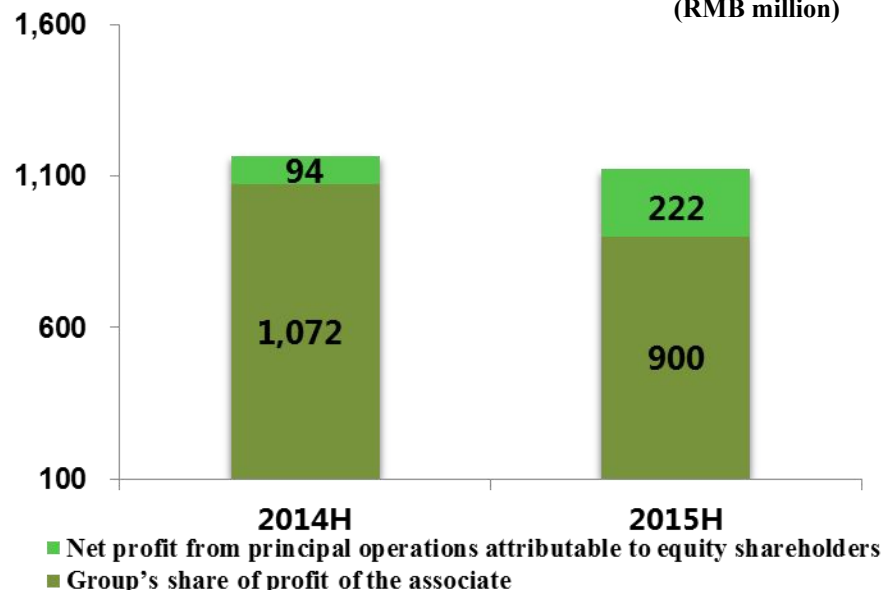
Company Profile—Financial Information⁵

- For the first half of 2015, the turnover of the Group amounted to **RMB950 million**, representing an increase of **28.92%** year on year; among which, Group's share of turnover of the associate amounted to **RMB146 million**, accounting for **15.40%** of the total turnover, which represented a decrease of **35.15** percentage points.
- For the first half of 2015, net profit attributable to equity shareholders amounted to **RMB1,122 million**, representing a decrease of **RMB44 million** year on year; among which, net profit from principal operations attributable to equity shareholders amounted to **RMB222 million**, representing an increase of **137.57%** year on year; and share of profit of an associate amounted to **RMB900 million**, representing a decrease of **16.05%** year on year.

Percentage of turnover

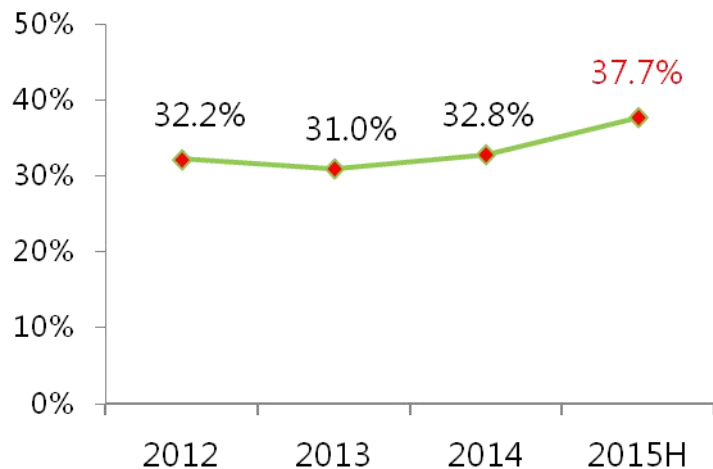


Net profit attributable to equity shareholders
(RMB million)

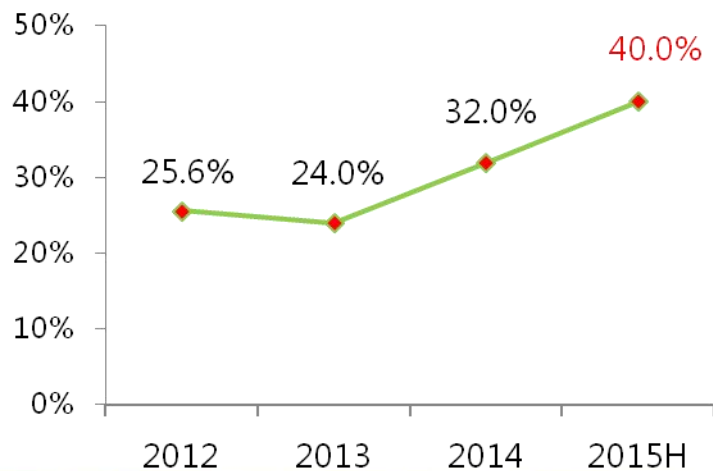


Company Profile—Financial Information⁶

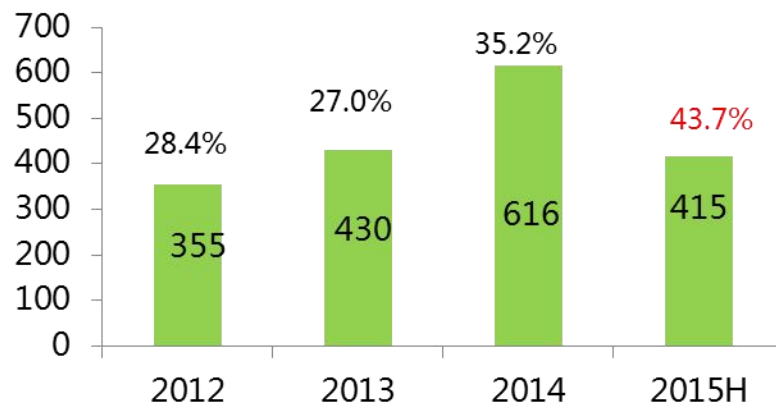
Gross profit margin witnessed increase affected by the market of waste incineration, residual heat power generation and vertical mills.



Operating profit margin maintained stable growth, while it increased rapidly for the first half of 2015.

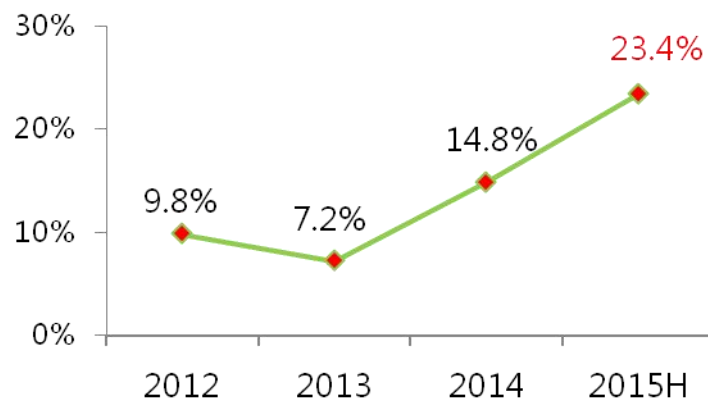


EBITDA^(a) margin increased rapidly for the first half of 2015.



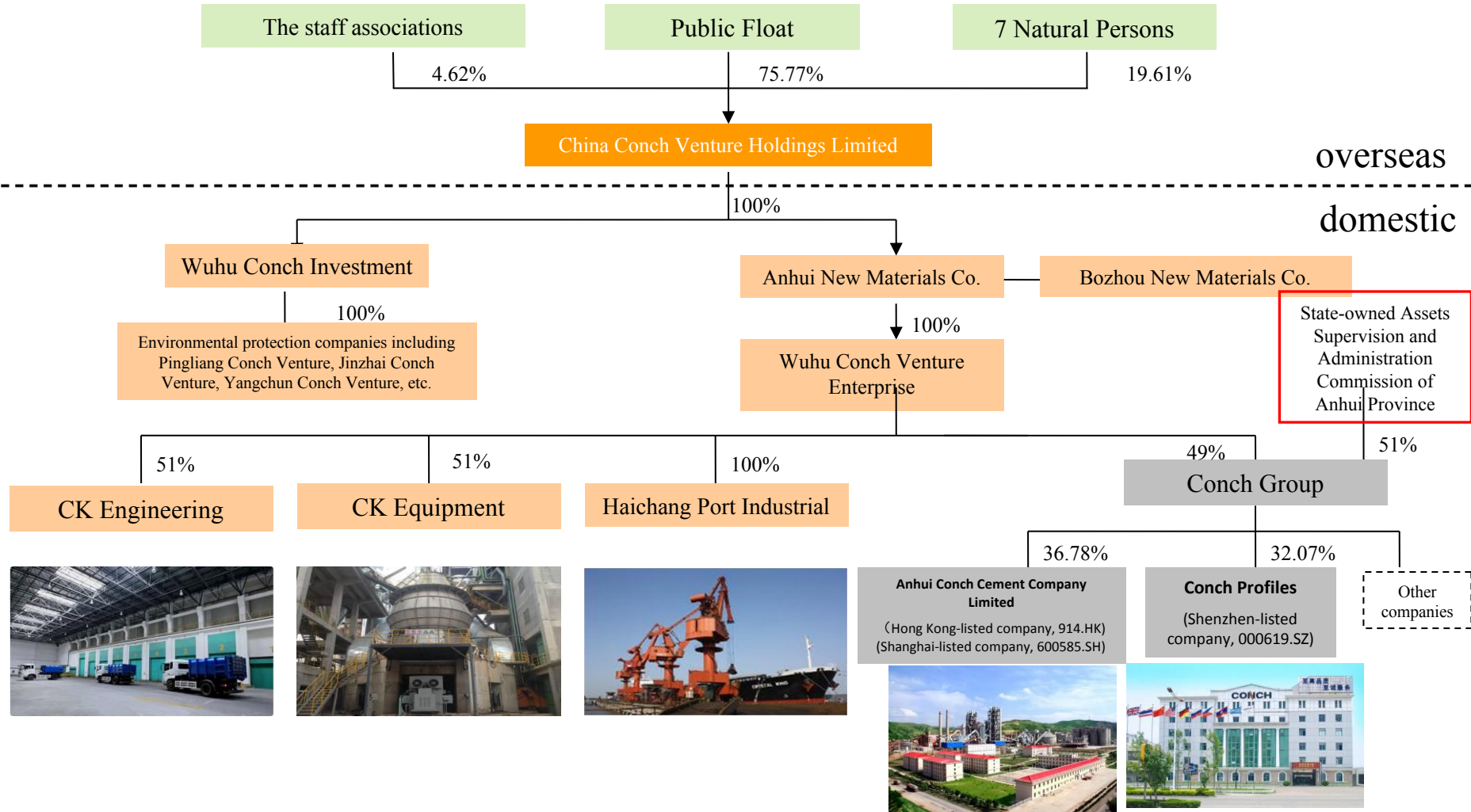
(a) EBITDA profit=(operating profit + depreciation + amortization of intangible assets + amortization of lease payment)/revenue

Net profit margin^(b) of the Company indicated a positive trend of growth



(b) Net profit margin=Net profit margin-profit attributable to the Company's shareholders minus associates' profit/revenue

Company Profile—Company Structure





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Energy Saving Business

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Energy Saving Business—Technology of Residual Heat Power Generation

- With 13 patented technologies, the Company is the earliest user and domestic originator of cement waste heat power generation technology. The technology adopts pure low temperature residual heat power generation technology, which recycles and reuses the residual heat exhaust gas discharged from the kiln during cement production. The technology is listed as one of China's “Ten Key Projects” for Energy Efficiency by NDRC.



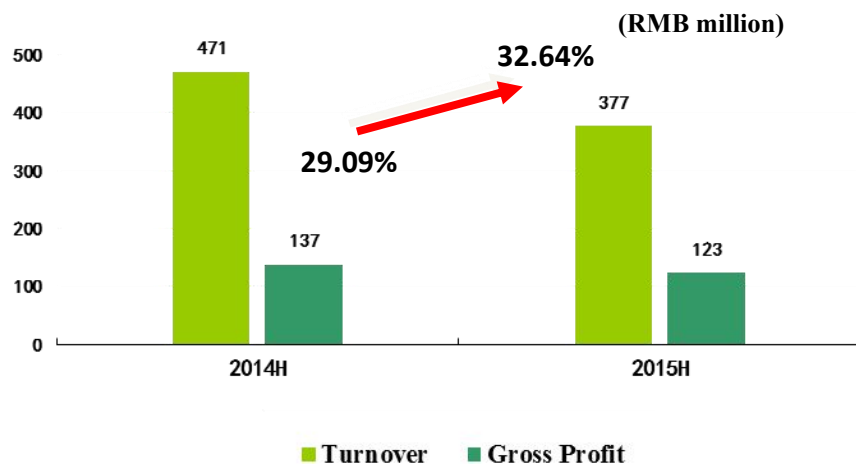
The process of waste heat power generation technology

Energy Saving Business—Performance of Residual Heat Power Generation

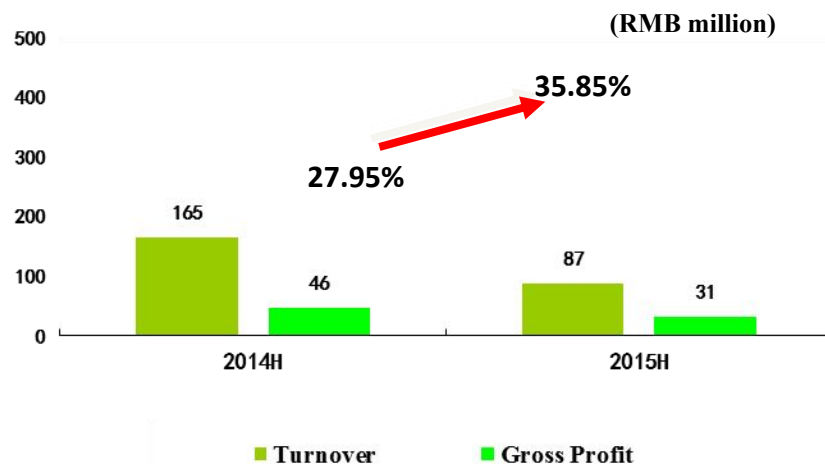
- The turnover derived from **residual heat power generation business** amounted to **RMB377 million** with a gross profit margin of **32.64%**, representing a decrease of **19.95%** year on year, which was mainly attributable to the delay in recognition of revenue as a result of the slowdown of project progress due to the financial strain of certain project owners.
- The turnover derived from **vertical mill business** amounted to **RMB87.13 million** with a gross profit margin of **35.85%**, representing a decrease of **47.17%** year on year, which was mainly attributable to the decrease in orders resulting from weakened demand of the cement market.

Gross profit margin of both residual heat power generation business and vertical mill business increased year on year, which was mainly attributable to the increase in turnover from overseas projects with higher gross profit margins.

Turnover and Gross Profit of Residual Heat Power Generation Business



Turnover and Gross Profit of Vertical Mill Business



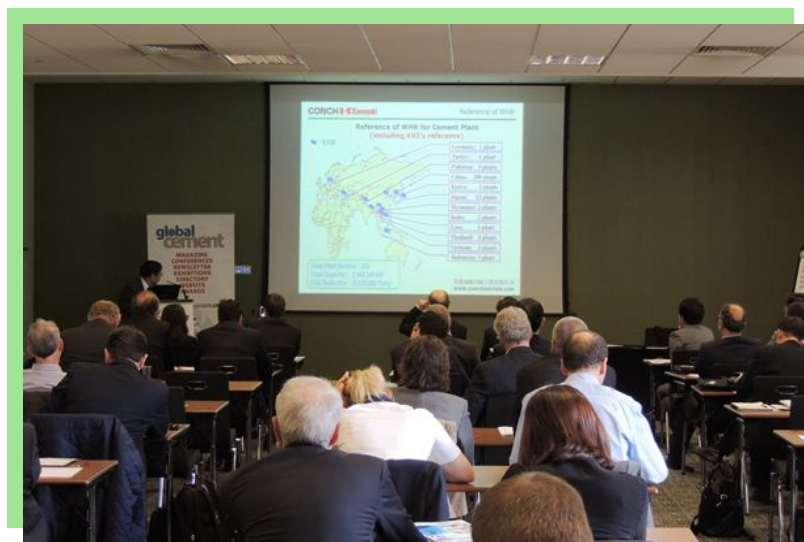
Energy Saving Business—Business Review and Outlook

Business Review

- In the first half of the year, the Group had constructed **36 power generation projects**, including **5** overseas projects in Burma, Vietnam, Laos, Indonesia, etc., respectively. In addition, the Group had also conducted special investigations on the residual thermal power generation markets in other industries including the domestic silicon-steel alloy industry, and had secured a contract order for the design of the silicon-steel residual thermal power generation project.
- In the first half of the year, the Group sold a total of **3 vertical mills**, the purchase orders of which were mainly from overseas projects in West Papua, Indonesia and Kyaukse, Burma.

Outlook

- Focus on expansion in overseas markets, such as the Southeast Asia market;
- Enhance research and development of technology to satisfy each customer's demand;
- Seek to obtain business orders for the upgrading of existing projects;
- Continue to expand markets from other industries including steel, silicon steel, etc.



The Company was attending the 3rd Global Cement and Power Summit in London



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Environmental Protection Business

2015

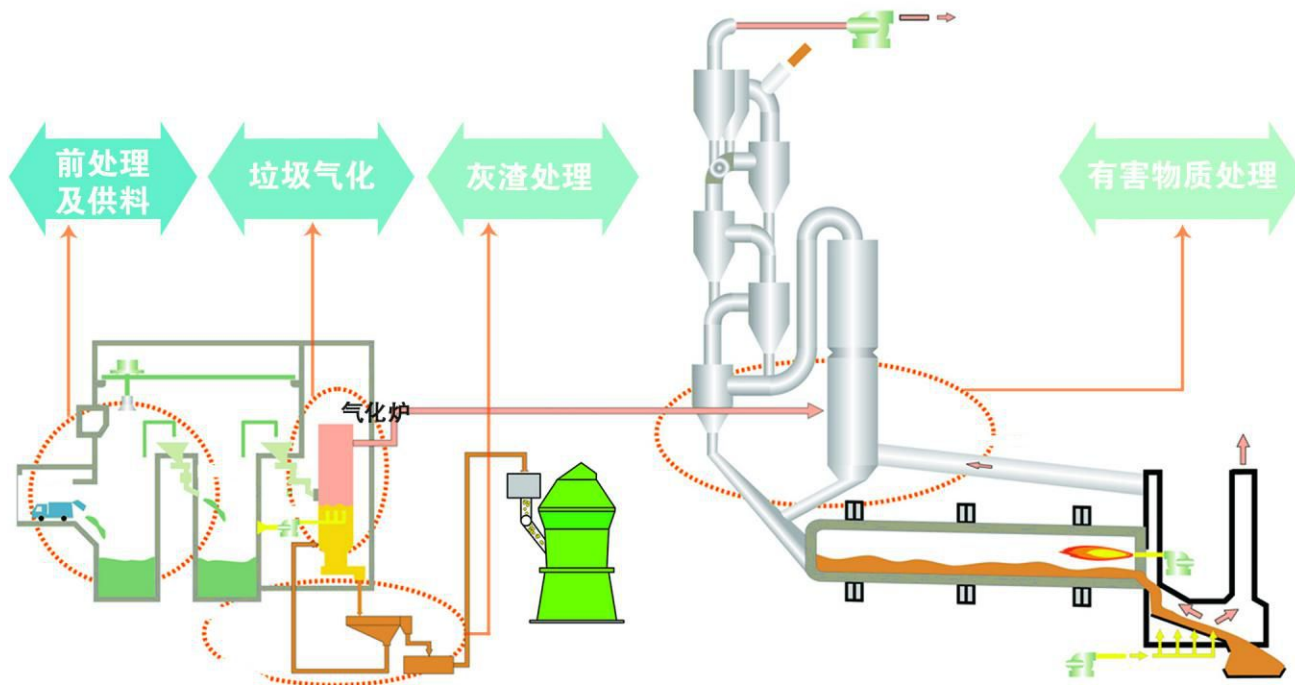
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Environmental Protection Business

—Technology of Municipal Garbage Incineration via Cement Kiln

- According to needs of China's urban and rural construction, Conch Venture collaborated with Kawasaki Heavy Industries, researched and developed **the Municipal Garbage Incineration via Cement Kiln Demonstration Project (CKK)**, Completely solve the problem of city landfill occupation of land, environmental pollution. It is **the most innovative technology of the world**.



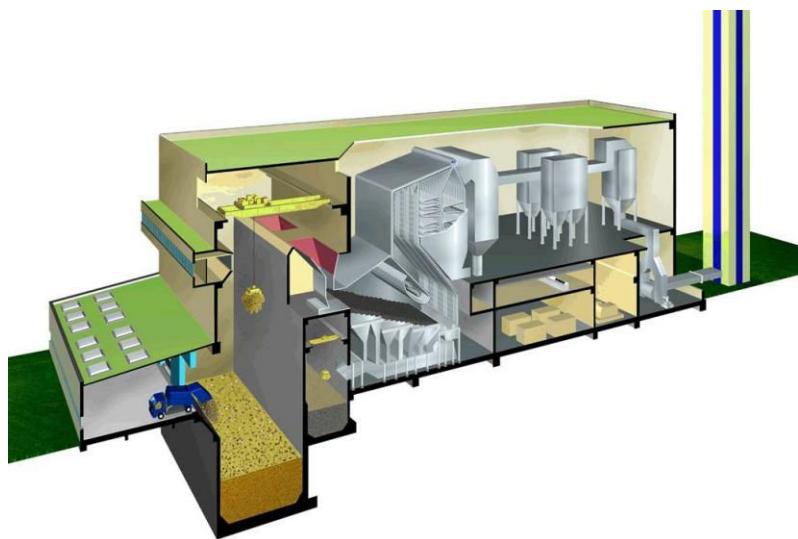
Technical Advantages

- ✓ Garbage without sorting
- ✓ Sewage disposal
- ✓ Effective decomposition of dioxins
- ✓ Control the spread of the garbage odor
- ✓ Heavy metals immobilization

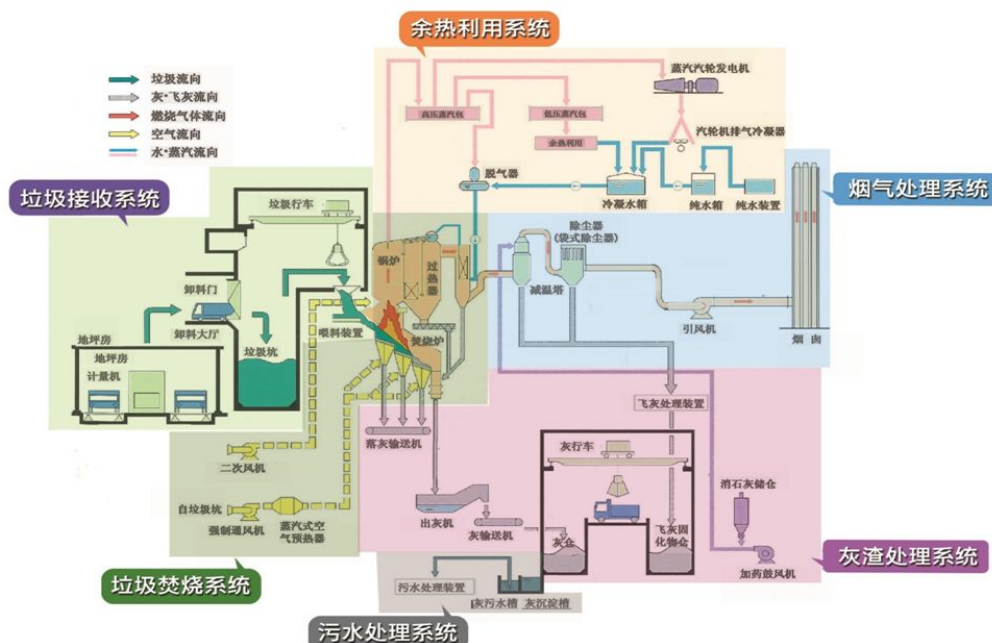
The process of residual incineration system

Environmental Protection Business—Grate Furnace Technology

- Company fully absorbed foreign advanced waste incineration technology, faced regions and cities without cement factory, and developing the grate furnace technology. The technology can completely degrade dioxins, the entire closed treatment, no odor diffusion, garbage without sorting, do not need to add fuel, high capacity, saving investment, low operating costs, location has no special requirements.



Grate Furnace system in section



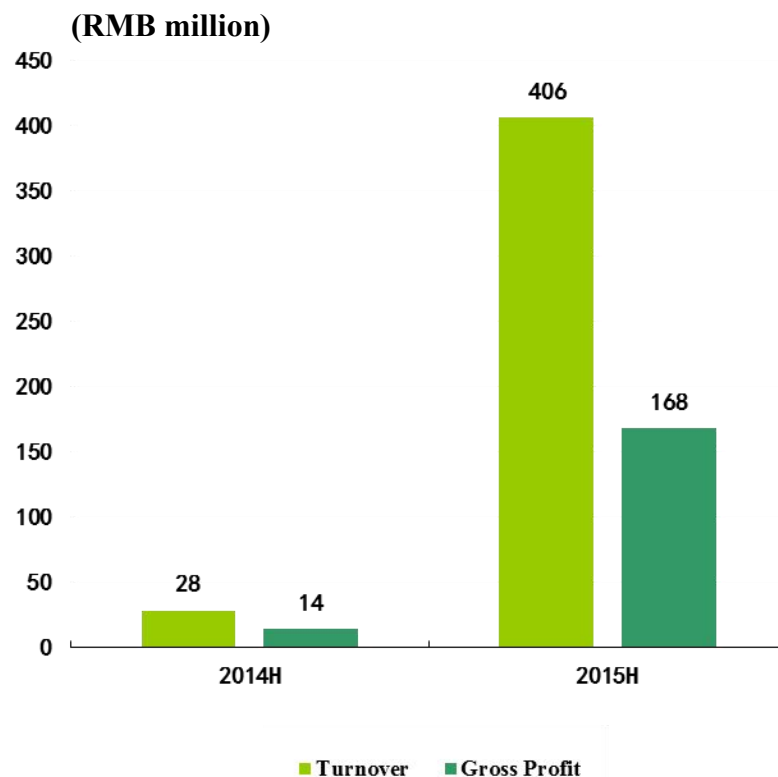
The process of Grate Furnace system

Environmental Protection Business—Waste Incineration Business

- The Turnover derived from waste incineration business amounted to **RMB406 million**, representing an increase of nearly **14 times** as compared with the corresponding period of the previous year. The gross profit margin was **41.24%**, representing a decrease of **7.27** percentage points year on year.
- **The turnover saw a significant increase**, which was mainly attributable to the recognition of revenue from waste incineration projects in Jinzhai of Anhui, Yangchun of Guangdong, Yuping of Guizhou and Anshun of Guizhou in the first half of the year.
- **The gross profit margin witnesses a year-on-year decrease**, due to the fact that turnover for the Reporting Period was primarily revenue derived from project construction while turnover for the corresponding period of the previous year was primarily revenue derived from project design.

In the first half of the year, projects in **Zhong County of Chongqing** and **Qingzhen of Guizhou** were completed and have been put into operation; projects in **Yangchun of Guangdong** and **Yuping of Guizhou** are in the commissioning phase of the trial production; other projects are under construction in an orderly manner.

Turnover and Gross Profit of Waste Incineration Business



Environmental Protection Business—Contracts

- In the first half of the year, the Group had contracted orders for **3** garbage treatment projects in Emeishan of Sichuan, Linxia of Gansu and Linyun of Guangxi. In July 2015, the Group also contracted **2** orders for the Phase 2 garbage treatment project in Tongling, Anhui and the garbage treatment project in Yanshan, Yunnan, and had other **10** projects with intention of signing contract. Just within two years after the listing, the Company has an increased number of **24** projects.



On 15 January 2015, the Company obtained the contracted order for garbage treatment project in Linxia.



On 16 July 2015, the signing ceremony of waste incineration power generation project in Yanshan was held.

Environmental Protection Business—Performance Review

No.	Way of Disposal	Status	Location	Business Model	Size	Expected Completion Date	
1	Disposal of household garbage by cement kiln	Completed	Tongling, Anhui Province	EPC	1×300t/d	/	
2			Guiding, Guizhou Province	EPC	1×200t/d		
3			Pingliang, Gansu Province	BOT	1×300t/d		
4			Zunyi, Guizhou Province	EPC	2×400t/d		
5			Zhong County, Chongqing	EPC	1×200t/d		
6			Qingzhen, Guizhou Province	BOT	1×300t/d		
7		Projects under construction		Yangchun, Guangdong Province	BOT	1×200t/d	Pilot production to be commenced in August 2015
8				Yuping County, Guizhou Province	BOT	1×100t/d	Pilot production to be commenced in August 2015
9				Qiyang County, Hunan Province	BOT	1×300t/d	October 2015
10				Anshun, Guizhou Province	EPC	1×200t/d	October 2015
11				Shimen County, Hunan Province	BOT	1×200t/d	October 2015
12				Shuicheng County, Guizhou Province	BOT	1×200t/d	October 2015
13				Xishui County, Guizhou Province	BOT	1×300t/d	November 2015

Environmental Protection Business—Performance Review

No.	Way of Disposal	Status	Location	Business Model	Size	Expected Completion Date
14	Disposal of household garbage by cement kiln	Projects under construction	Shuangfeng County, Hunan Province	BOT	1×200t/d	November 2015
15			Emeishan, Sichuan Province	EPC	1×400t/d	September 2015
16			Fusui County, Guangxi Province	BOT	1×200t/d	December 2015
17			Baoshan, Yunnan Province	BOT	1×300t/d	December 2015
18		Projects submitted for approval and pending construction	Nanjiang County, Sichuan Province	BOT	1×200t/d	April 2016
19			Linxia, Gansu Province	BOT	1×300t/d	September 2016
20			Lingyun County, Guangxi Province	BOT	1×100t/d	June 2016
21			Tongling, Anhui Province (Phase II)	EPC	1×300t/d	June 2016
22	Disposal of solid waste by cement kiln	Projects under construction	Qian County, Shaanxi Province	Proprietary investment	1×200t/d	October 2015
23	Grate furnace waste power generation	Projects under construction	Grate furnace waste-to-energy (Phase I) in Jinzhai County, Anhui Province	BOT	1×300t/d	September 2015
24		Projects submitted for approval and pending construction	Grate furnace waste-to-energy in Yanshan County, Yunnan Province	BOT	1×300t/d	December 2016

Environmental Protection Business—Outlook

For Projects under Construction

- ◆ **To guarantee the Jinzhai project to be put into operation on schedule.** To speed up the preparation work, such as testing of equipment, etc., of the grate furnace waste-to-energy project in Jinzhai, building which into a model for grate furnace waste-to-energy projects and a talent base for follow-up development of projects, setting it a good example for market expansion.
- ◆ **To enhance the management of existing projects.** Projects of household garbage disposal by cement kiln in Shimen, Fusui, Baoshan, etc., are under tightly scheduled construction, most of which are planned to be put into operation within this year.



Grate furnace in Jinzhai of Anhui Province is soon to be put into operation



Panorama of the waste incineration project under construction in Baoshan of Yunnan Province

Environmental Protection Business—Outlook

Project Promotion

- Actively follow up with projects with intention of signing contract. Exerting the demo effect of the projects that were built and put into operation, analyzing local demand, flexibly applying EP, EPC, BOT, PPP and other various business models to vigorously promote and apply the power generation technology for treatment of household garbage.

Policies

- On 14 July 2015, an industrial alliance in collaborative treatment of household garbage by cement kilns was officially established under the leadership of China Building Materials Federation and China Cement Associate, with the Group acting as the vice president unit. The establishment of the industrial alliance has built a good platform between the Group and relevant national departments to communicate policy response.



On April 11 2015, the waste incineration project in Zhong County of Chongqing completed construction and was put into operation.



Industrial alliance in collaborative treatment of household garbage by cement kilns was officially established



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New Building Materials Business

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New Building Materials Business—Optimization of Production Process

- In the first half of the year, the Group has accumulatively sold approximately **620,000** square meters standard CCA boards and achieved a turnover of **RMB7.03 million**.
- With the optimization of production process, we have changed the situation of single variety of baseboards in the past, and achieved breakthroughs in the customers in the fields such as composite wall boards, integrated-insulation-and-decoration boards, inorganic pre-coating plates and containers.



The Company launched its sanding system, and optimized and improved the production process of products



The Company entered into the strategic cooperation agreement with Anhui Creek Thermal Insulation Materials Co., Ltd.

New Building Materials Business—Market Expansion

- The Company publicized the enterprise and products through building a multi-channel propaganda platform, built the network propaganda links to the “Anhui Channel of www.people.com.cn”, and established the official public WeChat account of the Company.

- The Company attended the 10th China (Xi’an) International Building Energy-Saving & Advanced Building Materials Exhibition, and organized a number of training seminars.



Network propaganda links to the “Anhui Channel of www.people.com.cn”



Attending building materials expo



Conducting trainings of sales

New Building Materials Business—Outlook

- **As for production process**, the Company will continue to optimize and adjust the technological process according to the demand of different customer base, and diversify the product lines to continuously increase the added value of products.
- **As for market expansion**, the Company will adapt to the development trend of “Internet Plus”, increase investments in media advertisement, and attempt network marketing exercise; meanwhile, it will also maximize business order volume and strive to make profit as soon as possible by conducting market survey and reserving potential post-processing enterprise customers.



Workshop on optimization of process technology with Wuhan institute



News media made exclusive interviews in the Company



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Port Logistics Business

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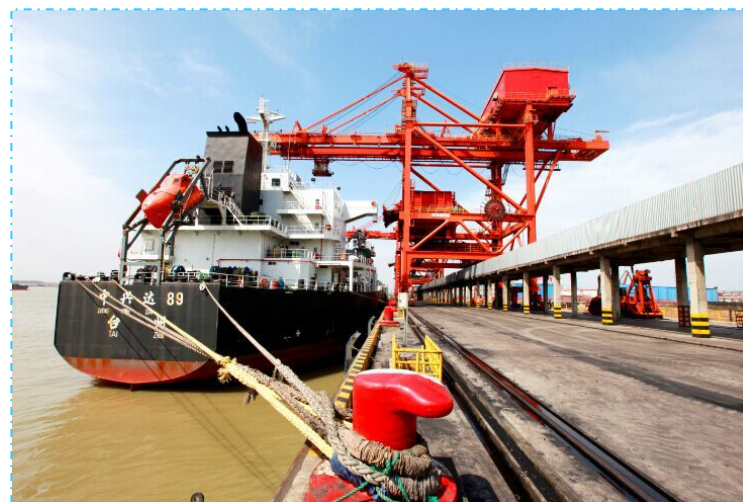
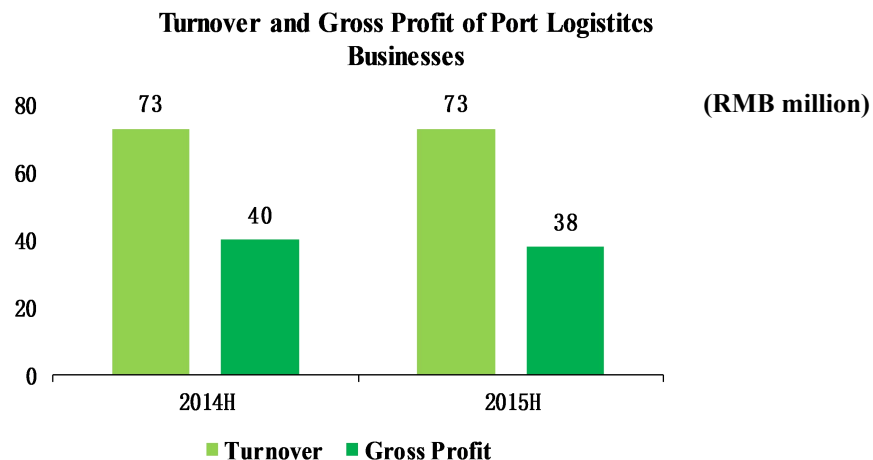
Port Logistics Business—Performance Review and Development

Performance Review

- For the first half of 2015, the Group has completed 10.76 million physical tonnes, and achieved a turnover of RMB72.79 million, which were basically flat over the same period of last year.

Development

- In the first half of 2015, through integrating Company's resources, the Company developed new customers, deepened multiple operations, diversified product lines, and increased the added value of profits.



Yangzhou Haichang Port

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