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CONCH VENTURE
China Conch Venture Holdings Limited
中國海螺創業控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 586)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

HIGHLIGHTS

- The Group spin-off the solid waste solutions business, by way of introduction, through a distribution in specie to the shareholders of the Company in March 2022. The business has been classified as discontinued operations of the Group in this announcement.
- Revenue of the Group from continuing operations for 2022 amounted to approximately RMB7,896.32 million (2021: RMB6,680.74 million), representing an increase of 18.20% as compared to 2021.
- Net profit attributable to equity shareholders of the Group from continuing operations for 2022 amounted to approximately RMB3,852.18 million (2021: RMB6,905.39 million), representing a decrease of 44.21% as compared to 2021.
- Net profit (excluding share of profits of associates) of our principal activities attributable to equity shareholders of the Group from continuing operations for 2022 amounted to approximately RMB915.39 million (2021: RMB747.07 million), representing an increase of 22.53% as compared to 2021.
- Basic earnings per share from continuing operations for 2022 amounted to RMB2.12 (2021: RMB3.80 per share).
- The Board proposed the distribution of a final cash dividend of HK\$0.40 per share for 2022 (2021: HK\$0.70 per share).

The board (the “**Board**”) of directors (the “**Directors**”) of China Conch Venture Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated results and financial positions for the year ended 31 December 2022 (the “**Reporting Period**”) of the Company and its subsidiaries (the “**Group**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the year ended 31 December 2022**(Expressed in Renminbi Yuan)*

	<i>Note</i>	2022 RMB'000	2021 RMB'000
Continuing operations			
Revenue	3	7,896,322	6,680,738
Cost of sales		<u>(5,667,569)</u>	<u>(5,033,282)</u>
Gross profit		2,228,753	1,647,456
Other net income	4	357,513	187,865
Distribution costs		(19,808)	(20,228)
Administrative expenses		<u>(531,576)</u>	<u>(403,925)</u>
Profit from operations		2,034,882	1,411,168
Finance costs	5(a)	(599,440)	(310,965)
Share of profits of associates	9	<u>2,936,787</u>	<u>6,158,328</u>
Profit before taxation	5	4,372,229	7,258,531
Income tax	6(a)	<u>(288,662)</u>	<u>(305,105)</u>
Profit for the year from continuing operations		4,083,567	6,953,426
Discontinued operations			
Profit for the year from discontinued operations	14	56,758	623,730
Net gain on distribution in specie		<u>12,049,261</u>	<u>–</u>
Profit for the year		<u>16,189,586</u>	<u>7,577,156</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)*for the year ended 31 December 2022**(Expressed in Renminbi Yuan)*

	<i>Note</i>	2022 RMB'000	2021 <i>RMB'000</i>
Attributable to equity shareholders of the Company:			
— from continuing operations		3,852,177	6,905,394
— from discontinued operations		12,107,011	552,735
		15,959,188	7,458,129
Attributable to non-controlling interests of the Company:			
— from continuing operations		231,390	48,032
— from discontinued operations		(992)	70,995
		230,398	119,027
Profit for the year		16,189,586	7,577,156
Basic earnings per share			
— from continuing operations (<i>RMB</i>)	7(a)	2.12	3.80
— from discontinued operations (<i>RMB</i>)		6.63	0.30
		8.75	4.10
Diluted earnings per share			
— from continuing operations (<i>RMB</i>)	7(b)	2.12	3.66
— from discontinued operations (<i>RMB</i>)		6.63	0.29
		8.75	3.95

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

*for the year ended 31 December 2022
(Expressed in Renminbi Yuan)*

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Profit for the year	16,189,586	7,577,156
Other comprehensive income for the year (after tax and reclassification adjustments)		
Item that will not be reclassified to profit or loss:		
Share of other comprehensive income of associates, net of tax	(178,707)	7,061
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of tax	(48,836)	(13,016)
Exchange differences on translation of financial statements of overseas subsidiaries	(317,061)	88,041
	<u>(544,604)</u>	<u>82,086</u>
Total comprehensive income for the year	15,644,982	7,659,242
Attributable to equity shareholders of the Company:		
— from continuing operations	3,307,573	6,987,480
— from discontinued operations	12,107,011	552,735
	<u>15,414,584</u>	<u>7,540,215</u>
Attributable to non-controlling interests of the Company:		
— from continuing operations	231,390	48,032
— from discontinued operations	(992)	70,995
	<u>230,398</u>	<u>119,027</u>
Total comprehensive income for the year	15,644,982	7,659,242

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2022

(Expressed in Renminbi Yuan)

		31 December 2022	31 December 2021
	<i>Note</i>	RMB'000	RMB'000
Non-current assets			
Property, plant and equipment		4,077,828	1,212,651
Right-of-use assets		1,743,969	1,109,297
Intangible assets		16,688,910	10,007,101
Goodwill		134,927	–
Interests in associates	9	36,896,482	35,768,449
Contract assets	10	4,805,720	5,280,042
Non-current portion of trade and other receivables	11	1,513,072	1,145,323
Financial assets measured at fair value through profit and loss (“FVPL”)		82,500	82,500
Equity securities measured at fair value through other comprehensive income		10,320	–
Investment deposit		–	1,003,000
Deferred tax assets		62,404	76,143
		66,016,132	55,684,506
Current assets			
Financial assets measured at fair value through profit and loss (“FVPL”)		364,596	12,255
Inventories		444,393	378,324
Contract assets	10	526,408	186,598
Trade and other receivables	11	2,845,863	1,554,313
Restricted bank deposits		110,848	277,858
Bank deposits with original maturity over three months		710,000	1,150,000
Cash and cash equivalents		4,361,637	2,560,045
		9,363,745	6,119,393
Assets held for distribution		–	7,115,167
		9,363,745	13,234,560

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

at 31 December 2022

(Expressed in Renminbi Yuan)

		31 December 2022	31 December 2021
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current liabilities			
Bank loans		690,590	602,528
Convertible bonds	13	3,880,344	–
Trade and other payables	12	5,530,039	4,299,189
Contract liabilities		56,404	57,074
Lease liabilities		8,047	5,942
Income tax payables		188,240	174,497
		<u>10,353,664</u>	<u>5,139,230</u>
Liabilities held for distribution		–	3,878,999
		<u>10,353,664</u>	<u>9,018,229</u>
Net current (liabilities)/assets		<u>(989,919)</u>	<u>4,216,331</u>
Total assets less current liabilities		<u>65,026,213</u>	<u>59,900,837</u>
Non-current liabilities			
Bank loans		17,495,845	9,655,302
Convertible bonds	13	–	3,483,286
Lease liabilities		20,031	4,813
Deferred income		97,828	–
Deferred tax liabilities		240,105	100,000
		<u>17,853,809</u>	<u>13,243,401</u>
Net assets		<u>47,172,404</u>	<u>46,657,436</u>
Capital and reserves			
Share capital		14,412	14,530
Reserves		44,847,601	45,255,264
Equity attributable to equity shareholders of the Company		<u>44,862,013</u>	<u>45,269,794</u>
Non-controlling interests		<u>2,310,391</u>	<u>1,387,642</u>
Total equity		<u>47,172,404</u>	<u>46,657,436</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“**IAS**”) and related interpretations, promulgated by the International Accounting Standards Board (“**IASB**”), and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group is set out below.

The IASB has issued certain amendments to IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation and presentation

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the “**Group**”) and the Group’s interests in associates.

As at 31 December 2022, the Group had net current liabilities of RMB990 million, which was mainly attributable to the Company’s convertible bonds with carrying amount of RMB3,880 million becoming due for redemption in September 2023. In view of these circumstances, the Directors of the Company have taken the following measures to ensure the Group has sufficient finance resources to repay the convertible bonds when due:

The Company has received the approval of registration from National Association of Financial Market Institutional Investors (zhong shi xie zhu [2023] GN1) for issuing unsecured medium term notes in the aggregate amount of not more than RMB4 billion (the “**Panda Bonds**”) with a validity period of two years from 18 January 2023, the completion of registration date. According to the Company’s prospectus of the Panda Bonds, the Company will utilise the bond issuance proceeds of RMB3.5 billion to repay the convertible bonds due in September 2023. On 20 March 2023, the first batch of RMB1.2 billion of the Panda Bonds has been issued.

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

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for certain financial instruments are measured at their fair value in accordance with the following accounting policies.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS 16, *Property, plant and equipment: Proceeds before intended use*;
- Amendments to IAS 37, *Provisions, contingent liabilities and contingent assets: Onerous contracts — cost of fulfilling a contract*.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. 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 construction and operation of waste-to-energy projects, port logistics services, the manufacturing and sales of new building materials, new energy materials and investments.

Disaggregation of revenue

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Waste-to-energy projects		
Waste incineration solutions (i)	6,561,015	5,743,801
Energy saving equipment	<u>967,810</u>	<u>569,811</u>
Subtotal	7,528,825	6,313,612
Port logistics services	234,414	224,276
Sale of new building materials	127,349	142,850
Sale of new energy materials	<u>5,734</u>	<u>–</u>
Total revenue from continuing operations	<u>7,896,322</u>	<u>6,680,738</u>
Discontinued operations		
Solid waste solutions	<u>328,034</u>	<u>1,669,747</u>
	<u><u>8,224,356</u></u>	<u><u>8,350,485</u></u>

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

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Timing of revenue recognition		
Continuing operations		
— Over time	6,913,901	5,968,077
— Point in time	982,421	712,661
	<u>7,896,322</u>	<u>6,680,738</u>
Discontinued operations		
— Over time	328,034	1,669,747

- (i) Revenue of waste incineration solutions under BOT arrangements mainly represents the revenue for construction services, revenue from waste incineration project operation services and finance income. The amount of each significant category of revenue during the year is as follows:

	2022	2021
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue from waste incineration project construction services	3,884,903	4,489,191
Revenue from waste incineration project operation services	2,456,540	1,061,602
Finance income	219,572	193,008
	<u>6,561,015</u>	<u>5,743,801</u>
Total	<u>6,561,015</u>	<u>5,743,801</u>

The Group had transactions with certain PRC local government authorities which in aggregate exceeded 10% of the Group's revenue. Revenue from waste incineration solutions under BOT arrangement and derived from these local government authorities in the PRC for the year ended 31 December 2022 amounting to RMB4,675,389,000 (2021: RMB4,801,918,000).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following six reportable segments. In 2022, the Group identified a new reportable segment of new energy materials, which was previously included in the segment of new building materials from the second half of 2021. Comparative disclosures have been restated on a consistent basis.

- (1) Waste-to-energy projects: this segment includes waste incineration solutions, manufacturing and sales of residual heat power generation, vertical mill and related after-sales services.
 - (2) Port logistics services: this segment mainly engages in cargo handling, trans-shipment and warehousing services.
 - (3) New building materials: this segment mainly engages in alternative wall building materials, such as the cellulose fiber cement sheets, autoclaved boards and wood wool cement boards.
 - (4) New energy materials: this segment was newly established in the second half of 2021. It mainly engages in lithium iron phosphate cathode and anode materials, and lithium battery recycling.
 - (5) Investments: this segment comprises investments in Anhui Conch Holdings Co., Ltd. ("**Conch Holdings**"). Details of the principal activities of Conch Holdings are set out in note 9.
 - (6) Solid waste solutions: this segment mainly engages in solid and hazardous waste and presented as discontinued operations.
- (i) For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment assets include all current assets and non-current assets. Segment liabilities include trade and other payables, income tax payable and bank loans managed directly for the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments. Inter-segment revenue includes sales of environmental protection equipments by one segment to another.

The measure used by the Group's senior executive management to assess segment results is the profit before taxation. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2022 and 2021 is set out below:

	Year ended 31 December 2022								
	Continuing operations						Discontinued operations		Total
	Waste-to-energy projects	Port logistics services	New building materials	New energy materials	Investments	Unallocated	Solid waste solutions	Elimination	
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
Revenue from external customers	7,528,825	234,414	127,349	5,734	-	-	328,034	-	8,224,356
Inter-segment revenue	28,928	-	-	-	-	-	9,745	(38,673)	-
Reportable segment revenue	<u>7,557,753</u>	<u>234,414</u>	<u>127,349</u>	<u>5,734</u>	<u>-</u>	<u>-</u>	<u>337,779</u>	<u>(38,673)</u>	<u>8,224,356</u>
Reportable segment profit/(losses)	<u>1,370,107</u>	<u>124,240</u>	<u>(14,696)</u>	<u>26,754</u>	<u>2,936,787</u>	<u>(80,209)</u>	<u>12,122,817</u>	<u>2,740</u>	<u>16,488,540</u>
Interest income	34,006	320	509	-	-	60,839	2,524	(4,324)	93,874
Interest expenses	464,573	-	-	-	-	139,191	21,404	(4,324)	620,844
Depreciation and amortisation	622,962	40,509	15,800	-	-	1,693	49,795	-	730,759
(Reversal of)/provision for loss allowance — trade and other receivables	(7,732)	-	-	-	-	-	870	-	(6,862)
Reportable segment assets	32,336,393	415,555	2,216,419	1,686,211	36,896,482	6,269,334	-	(4,440,517)	75,379,877
Reportable segment liabilities	23,712,166	48,924	2,442,285	933,845	-	5,510,770	-	(4,440,517)	28,207,473
	Year ended 31 December 2021 (Restated)								
	Continuing operations						Discontinued operations		
	Waste-to-energy projects	Port logistics services	New building materials	New energy materials	Investments	Unallocated	Solid waste solutions	Elimination	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from external customers	6,313,612	224,276	142,850	-	-	-	1,669,747	-	8,350,485
Inter-segment revenue	656,168	-	29	-	-	-	28,406	(684,603)	-
Reportable segment revenue	<u>6,969,780</u>	<u>224,276</u>	<u>142,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,698,153</u>	<u>(684,603)</u>	<u>8,350,485</u>
Reportable segment profit/(losses)	<u>1,179,361</u>	<u>120,003</u>	<u>(16,281)</u>	<u>-</u>	<u>6,135,587</u>	<u>(124,391)</u>	<u>693,556</u>	<u>(54,374)</u>	<u>7,933,461</u>
Interest income	83,093	112	563	-	-	5,443	8,254	(5,329)	92,136
Interest expenses	192,587	-	-	-	-	123,671	45,737	(5,329)	356,666
Depreciation and amortisation	231,992	45,137	16,775	-	-	3,988	167,391	(9,392)	455,891
Provision for loss allowance — trade and other receivables	9,557	-	-	-	-	-	12,896	-	22,453
Reportable segment assets	24,693,005	396,135	2,202,421	525,113	35,637,850	3,318,493	7,523,347	(5,377,298)	68,919,066
Reportable segment liabilities	15,684,940	39,815	2,418,934	125,113	-	4,796,084	4,426,043	(5,229,299)	22,261,630

(ii) *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities*

	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue						
Reportable segment revenue	7,925,250	7,336,935	337,779	1,698,153	8,263,029	9,035,088
Elimination of inter-segment revenue	<u>(28,928)</u>	<u>(656,197)</u>	<u>(9,745)</u>	<u>(28,406)</u>	<u>(38,673)</u>	<u>(684,603)</u>
Consolidated revenue (<i>Note 3(a)</i>)	<u>7,896,332</u>	<u>6,680,738</u>	<u>328,034</u>	<u>1,669,747</u>	<u>8,224,356</u>	<u>8,350,485</u>
	Continuing operations		Discontinued operations		Total	
	2022	2021	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Profit before taxation						
Reportable segment profit	4,362,983	7,294,279	12,122,817	693,556	16,485,800	7,987,835
Elimination of inter-segment profit	<u>9,246</u>	<u>(35,748)</u>	<u>(6,506)</u>	<u>(18,626)</u>	<u>2,740</u>	<u>(54,374)</u>
Consolidated profit before taxation	<u>4,372,229</u>	<u>7,258,531</u>	<u>12,116,311</u>	<u>674,930</u>	<u>16,488,540</u>	<u>7,933,461</u>
				2022	2021	
				RMB'000	RMB'000	
					(Restated)	
Assets						
Reportable segment assets				79,820,394	74,296,364	
Elimination of inter-segment receivables				<u>(4,440,517)</u>	<u>(5,377,298)</u>	
Consolidated total assets				<u>75,379,877</u>	<u>68,919,066</u>	
				2022	2021	
				RMB'000	RMB'000	
					(Restated)	
Liabilities						
Reportable segment liabilities				32,647,990	27,490,929	
Elimination of inter-segment payables				<u>(4,440,517)</u>	<u>(5,229,299)</u>	
Consolidated total liabilities				<u>28,207,473</u>	<u>22,261,630</u>	

(iii) *Geographic information*

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets, goodwill, interests in associates, non-current portion of contract assets and trade and other receivables (“**specified non-current assets**”). The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the specified non-current assets is based on the physical location of the assets, in the case of right-of-use assets, property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets, goodwill and non-current portion of contract assets and trade and other receivables, and the location of operations, in the case of interests in associates.

Revenue from external customers

	Continuing operations		Discontinued operations	
	2022	2021	2022	2021
	RMB'000	<i>RMB'000</i>	RMB'000	<i>RMB'000</i>
Mainland China	7,787,839	6,481,158	328,034	1,669,747
Asia-Pacific (except Mainland China)	108,483	197,917	–	–
South America	–	1,663	–	–
	<u>7,896,322</u>	<u>6,680,738</u>	<u>328,034</u>	<u>1,669,747</u>

Specified non-current assets

	2022	2021
	RMB'000	<i>RMB'000</i>
Mainland China	65,643,152	54,348,120
Asia-Pacific (except Mainland China)	301,844	174,743
	<u>65,944,996</u>	<u>54,522,863</u>

4 OTHER NET INCOME

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Interest income on bank deposits and cash at bank	91,350	83,647
Government grants (i)	252,036	98,922
Net gain on disposal of right-of-use assets and property, plant and equipment	1,746	172
Net Exchange gain/(loss)	27,023	(898)
Net unrealised losses on financial assets measured at FVPL	(34,252)	(984)
Recognition of negative goodwill as income	17,680	–
Others	1,930	7,006
	<u>357,513</u>	<u>187,865</u>
Discontinued operations		
Interest income on bank deposits and cash at bank	2,524	8,489
Government grants (i)	5,776	58,776
Net gain on disposal of right-of-use assets and property, plant and equipment	–	25
Gain on previously held interests in associates	–	856
Recognition of negative goodwill as income	–	928
Others	215	1,934
	<u>8,515</u>	<u>71,008</u>
	<u><u>366,028</u></u>	<u><u>258,873</u></u>

- (i) Government grants mainly represented subsidies received from the local government authorities for encouraging the Group's development in the waste-to-energy segment, new building materials segment, new energy materials and discontinued operations in the respective PRC cities.

5 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Interest on bank loans	567,014	285,895
Interest on lease liabilities	1,189	205
Interest on convertible bonds	<u>123,259</u>	<u>113,882</u>
Total interest expense on financial liabilities not at fair value through profit or loss	691,462	399,982
Less: interest expense capitalised into construction in progress and intangible assets*	<u>(92,022)</u>	<u>(89,017)</u>
	<u>599,440</u>	<u>310,965</u>
Discontinued operations		
Interest on bank loans	30,388	83,445
Interest on lease liabilities	<u>39</u>	<u>171</u>
Total interest expense on financial liabilities not at fair value through profit or loss	30,427	83,616
Less: interest expense capitalised into construction in progress and intangible assets*	<u>(9,023)</u>	<u>(37,915)</u>
	<u>21,404</u>	<u>45,701</u>
	<u>620,844</u>	<u>356,666</u>

* The borrowing costs in continuing operations and discontinued operations were capitalised at a rate of 1.45%–6.22% per annum for 2022 (2021: 1.75%–4.05%) and 2.65%–7.00% per annum for 2022 (2021: 2.65%–4.65%) respectively.

(b) Staff costs:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Salaries, wages and other benefits	525,165	333,498
Contributions to defined contribution plans (i)	<u>60,092</u>	<u>40,836</u>
	<u><u>585,257</u></u>	<u><u>374,334</u></u>
Discontinued operations		
Salaries, wages and other benefits	57,425	240,995
Contributions to defined contribution plans (i)	<u>10,381</u>	<u>35,806</u>
	<u><u>67,806</u></u>	<u><u>276,801</u></u>

- (i) Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the scheme to fund the retirement benefits of the employees.

During the financial year ended 31 December 2022, no contribution was forfeited (by the Group on behalf of its employees who leave the scheme prior to vesting fully in such contributions) under the defined contribution retirement scheme which may be used by the Group to reduce the existing level of contributions. Accordingly, no forfeited contribution was utilised in the course of the year ended 31 December 2022, and as at 31 December 2022, there was no forfeited contribution available to reduce the Group's existing level of contributions to the defined contribution retirement scheme.

The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) **Other items:**

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Cost of inventories [#]	819,600	570,125
Cost of services provided [#]	4,847,969	4,463,157
Depreciation of owned property, plant and equipment [#]	174,872	90,907
Depreciation of right-of-use assets [#]	30,186	20,564
Amortisation of intangible assets [#]	475,906	186,421
Research and development costs	60,549	35,876
(Reversal of)/loss allowance for trade receivables	(7,732)	9,557
Impairment losses on property, plant and equipment	–	7,669
Short-term lease payments not included in the measurement of lease liabilities	5,248	5,327
Auditors' remuneration	2,340	2,340
	<u> </u>	<u> </u>
Discontinued operations		
Cost of services provided [#]	163,125	672,985
Depreciation of owned property, plant and equipment [#]	46,433	145,328
Depreciation of right-of-use assets [#]	1,360	4,812
Amortisation of intangible assets [#]	2,002	7,859
Loss allowance for trade receivables	870	12,896
Short-term lease payments not included in the measurement of lease liabilities	2,066	2,826
Auditors' remuneration	–	2,300
Listing expenses	10,334	24,764
	<u> </u>	<u> </u>

[#] Cost of inventories and cost of services provided in continuing operations and in discontinued operations include RMB955,191,000 (2021: RMB427,424,000) and RMB76,995,000 (2021: RMB277,989,000) relating to staff costs, depreciation of owned property, plant and equipment, depreciation of right-of-use assets and amortisation of intangible assets.

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(a) Current taxation in the consolidated statement of profit and loss represents:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Current tax — Hong Kong Profits Tax		
Provision for the year	—	—
Current tax — PRC income tax		
Provision for the year	266,139	224,334
Over provision in respect of prior years	(6,293)	(6,082)
	259,846	218,252
Deferred tax:		
Origination and reversal of temporary differences	28,816	86,853
Income tax expense on continuing operations	288,662	305,105
Discontinued operations		
Current tax — Hong Kong Profits Tax		
Provision for the year	—	—
Current tax — PRC income tax		
Provision for the year	10,153	58,128
Under provision in respect of prior years	—	162
	10,153	58,290
Deferred tax:		
Origination and reversal of temporary differences	139	(7,090)
Income tax expense on discontinued operations	10,292	51,200

- (1) 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.
- (2) The provision for Hong Kong Profits Tax for 2022 is calculated at the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax was calculated at the same basis in 2021. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.
- (3) The PRC income tax law and its relevant regulations also impose a withholding tax at 10%, unless reduced by a tax treaty/arrangement, on dividend distributions made out of the PRC from earnings accumulated from 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax.

Under the Arrangement between the Mainland of China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to taxes on Income, a qualified Hong Kong tax resident which is the “beneficial owner” and holds 25% or more of the equity interest in a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5% on dividends received.

Since the Group can control the quantum and timing of distribution of profits of the Group’s PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

During the twelve months ended 31 December 2022, deferred tax expenses of RMB55,500,000 (2021: RMB100,000,000) have been recognised in respect of the withholding tax payable on the retained profits of the Group’s PRC subsidiaries which the directors expect to distribute outside the Mainland China in the foreseeable future.

- (4) The provision for PRC income tax is based on a statutory rate of 25% of the assessable income of the Company’s mainland China subsidiaries as determined in accordance with the relevant income tax rules and regulations of the PRC.

Pursuant to the PRC income tax law, all of the Company’s PRC subsidiaries are liable to PRC income tax at a rate of 25% except for seven entities entitled to a preferential income tax rate of 15% as they are certified as “High and New Technology Enterprise” (“HNTE”). According to Guoshuihan 2009 No. 203, if an entity is certified as an HNTE, it is entitled to a preferential income tax rate of 15% during the certified period.

- (5) Pursuant to Notice No.23 issued by the State Administration of Taxation on 23 April 2020 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.
- (6) Pursuant to the PRC Enterprise Income Tax Law Implementing Regulations issued by State Council of the PRC, certain subsidiaries engaged in waste incineration solutions are eligible for a preferential tax treatment of income tax exemption for the first three years starting from which revenue is generated and 50% income tax reduction for the next three years.

(b) Reconciliation between income tax expense and accounting profit at applicable tax rates:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations		
Profit before taxation	<u>4,372,229</u>	<u>7,258,531</u>
Notional tax on profit before taxation from continuing operations, calculated at the rates applicable to profit in the tax jurisdictions concerned	1,143,455	1,852,536
PRC tax concessions	(169,803)	(101,767)
PRC dividend withholding tax	55,500	100,000
Over provision in respect of prior years	(6,293)	(6,082)
Share of profits of associates	<u>(734,197)</u>	<u>(1,539,582)</u>
Income tax expense on continuing operations	<u>288,662</u>	<u>305,105</u>
Discontinued operations		
Profit before taxation	<u>67,050</u>	<u>674,930</u>
Notional tax on profit before taxation from discontinued operations, calculated at the rates applicable to profit in the tax jurisdictions concerned	17,823	184,315
PRC tax concessions	(6,965)	(130,824)
Under provision in respect of prior years	–	162
Share of profits of associates	<u>(566)</u>	<u>(2,453)</u>
Income tax expense on discontinued operations	<u>10,292</u>	<u>51,200</u>

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company and the weighted average number of ordinary shares in issue during the year.

(i) Weighted average number of ordinary shares

	2022 ('000)	2021 ('000)
Issued ordinary shares at 1 January	1,826,765	1,804,750
Effect of new shares issued	–	11,130
Effect of repurchased and cancelled shares	<u>(7,398)</u>	<u>–</u>
Weighted average number of ordinary shares	<u><u>1,819,367</u></u>	<u><u>1,815,880</u></u>

(ii) Profit attributable to ordinary equity shareholders

	2022 RMB'000	2021 RMB'000
Profit attributable to ordinary equity shareholders		
— Continuing operations	3,852,177	6,905,394
— Discontinued operations	<u>12,107,011</u>	<u>552,735</u>
	<u><u>15,959,188</u></u>	<u><u>7,458,129</u></u>

(iii) Basic earnings per share

	2022 RMB'000	2021 RMB'000
Basic earnings per share		
— Continuing operations	2.12	3.80
— Discontinued operations ⁽ⁱ⁾	<u>6.63</u>	<u>0.30</u>
	<u><u>8.75</u></u>	<u><u>4.10</u></u>

- (i) The calculation of basic earnings per share of discontinued operations for the year ended 31 December 2022 is based on the profit attributable to ordinary equity shareholders of the Company of RMB12,107,011,000 from discontinued operations and the weighted average number of ordinary shares of 1,826,765,000 for the three months ended 31 March 2022.

(b) Diluted earnings per share

Diluted earnings per share for the year ended 31 December 2022 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

The calculation of diluted earnings per share of continuing operations for the year ended 31 December 2021 is based on the profit attributable to ordinary equity shareholders of the Company of RMB7,019,276,000 from continuing operations and the weighted average number of ordinary shares of 1,918,545,000. The calculation of diluted earnings per share of discontinued operations for the year ended 31 December 2021 is based on the profit attributable to ordinary equity shareholders of the Company of RMB552,735,000 from discontinuing operations and the weighted average number of ordinary shares of 1,918,545,000.

8 DIVIDENDS

Pursuant to a resolution passed at the Directors' meeting on 29 March 2023, a final dividend of HKD0.40 (2021: HKD0.70) per ordinary share totalling HKD725,194,000, equivalent to approximately RMB647,794,000 (2021: HKD1,278,736,000, equivalent to approximately RMB1,045,878,000), was proposed for shareholders' approval. The dividend has not been provided for in the consolidated financial statements for the year ended 31 December 2022.

9 INTERESTS IN ASSOCIATES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Share of net assets	<u>36,896,482</u>	<u>35,768,449</u>

The particulars of the principal associate are as follows:

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Proportion of ownership interest Group's effective interest	Principal activities
Conch Holdings (安徽海螺集團 有限責任公司)	Incorporated as limited liability company	The PRC	RMB800,000,000	49%	Investment holding

The particulars of Conch Holdings' investment holdings as at 31 December 2022 are as follows:

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Ownership interest held by Conch Holdings	Principal activities
Anhui Conch Cement Co., Ltd. (安徽海螺水泥股份有限公司)	Incorporated as joint stock limited company	The PRC	5,299,302,579 ordinary shares of RMB1 each	36.40%	Manufacture and sale of cement related products
Conch (Anhui) Energy-saving and Environmental Protection New Materials Co., Ltd. (海螺(安徽)節能環保新材料股份有限公司)	Incorporated as joint stock limited company	The PRC	360,000,000 ordinary shares of RMB1 each	33.44%	Manufacture of new chemical and building materials
Anhui Conch Building Materials Design and Research Institute (安徽海螺建材設計研究院有限責任公司)	Incorporated as limited liability company	The PRC	RMB150,000,000	100%	Design and contract cement/light steel construction
Yingde Conch International Hotel Co., Ltd. (英德海螺國際大酒店有限公司)	Incorporated as limited liability company	The PRC	RMB63,800,000	100%	Hotel service
Wuhu Conch International Hotel Co., Ltd. (蕪湖海螺國際大酒店有限公司)	Incorporated as limited liability company	The PRC	RMB268,500,000	100%	Hotel service
Anhui Conch IT Engineering Co., Ltd. (安徽海螺信息技術工程有限責任公司)	Incorporated as limited liability company	The PRC	RMB50,000,000	100%	Computer system design and development

Name of associate	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital	Ownership interest held by Conch Holdings	Principal activities
Anhui Conch Investment Co., Ltd. (安徽海螺投資有限公司)	Incorporated as limited liability company	The PRC	RMB700,000,000	100%	Investment holding
Wuhu Conch Trading Co., Ltd. (蕪湖海螺貿易有限公司)	Incorporated as limited liability company	The PRC	RMB300,000,000	100%	Trading
Anhui International Trade Group Holding Co., Ltd. (安徽國貿集團控股有限公司)	Incorporated as limited liability company	The PRC	RMB661,111,111	55%	Investment holding and trading
Santan (Anhui) science and Technology Research Institute Co., Ltd. (三碳(安徽)科技研究院有限公司)	Incorporated as limited liability company	The PRC	RMB100,000,000	100%	Technology research and development and consulting service
Zhongtan (Anhui) environment and Technology Co., Ltd. (中碳(安徽)環境科技有限公司)	Incorporated as limited liability company	The PRC	Register capital: RMB30,000,000 Paid up capital: RMB5,400,000	80%	Technology research and development and consulting service
Anhui Conch Capital Management Co., Ltd. (安徽海螺資本管理有限公司)	Incorporated as limited liability company	The PRC	Register capital: RMB30,000,000 Paid up capital: RMB15,000,000	100%	Assets Management Service

10 CONTRACT ASSETS

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Non-current assets		
Service concession assets (i)	4,805,720	5,280,042
Current assets		
Service concession assets (i)	39,566	33,892
Unbilled government on-grid tariff subsidy (ii)	379,546	152,706
Retention receivables (iii)	107,296	–
	526,408	186,598
	5,332,128	5,466,640
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”	3,061,045	2,318,867

- (i) The service concession assets bear interest at rates ranging from 6.01% to 9.41% (31 December 2021: 6.01% to 9.41%) per annum as at 31 December 2022 and relate to certain BOT arrangements of the Group. The amounts are not yet due for payment and will be settled during the operating periods of the arrangements. Included in “Service concession assets” are amounts of RMB504,590,000 (31 December 2021: RMB1,788,552,000) relates to BOT arrangements which are in construction phase.
- (ii) The balance represented the government on-grid tariff subsidy for certain projects which will be billed and settled upon the successful completion of government administrative procedures pursuant to notices jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration.
- (iii) The Group agrees to a retention period for 10% of the contract value for certain of its energy saving equipment sales contracts. This amount is included in contract assets until the end of the retention period. The balances are classified as current as they are expected to be recovered within the Group’s normal operating cycle.

11 TRADE AND OTHER RECEIVABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade receivables	1,830,396	881,426
Bills receivable	92,857	69,632
Less: allowance for doubtful debts	<u>(101,098)</u>	<u>(55,330)</u>
Trade and bills receivables	1,822,155	895,728
Deposits and prepayments	133,029	64,131
Other receivables	570,978	491,221
Interest receivables	<u>28,542</u>	<u>51,382</u>
Amounts due from third parties	2,554,704	1,502,462
Amounts due from related parties	<u>291,159</u>	<u>51,851</u>
Current portion of trade and other receivables	<u>2,845,863</u>	<u>1,554,313</u>
Non-current portion of trade and other receivables	<u>1,513,072</u>	<u>1,145,323</u>
Total current and non-current trade and other receivables	<u>4,358,935</u>	<u>2,699,636</u>

All of the current portion of trade and other receivables are expected to be recovered within one year.

As at 31 December 2022, the Group endorsed undue bills receivable of RMB168,973,000 (2021: RMB428,100,000) to its suppliers to settle trade payables of the same amount and derecognised these bills receivable and payables to suppliers in their entirety as the Group's management considered that the risks and rewards of ownership of these undue bills have been substantially transferred. The Group's continuous involvement in these derecognised undue bills receivable is limited to when the issuance banks of these undue bills are unable to settle the amounts to the holders of these bills. As at 31 December 2022, the maximum exposure to loss from its continuous involvement represents the amount of bills receivable of RMB168,973,000 (2021: RMB428,100,000) which the Group endorsed to its suppliers. These undue bills receivable were due within 6 months.

As at 31 December 2022, trade receivables of approximately RMB298,071,000 (31 December 2021: Nil) were pledged as collateral for Group's bank loans.

(a) **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:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Current	1,463,265	817,605
Less than 1 year	252,416	70,229
1 to 2 years	101,425	5,487
2 to 3 years	5,049	2,407
	<u>1,822,155</u>	<u>895,728</u>

The amounts due from related parties are all aged within 1 year.

(b) **Loss allowance for trade receivables and bills receivable**

Movement in the loss allowance account in respect of trade receivables and bills receivable during the year is as follows:

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Continuing operations:		
At the beginning of the year	55,330	53,978
(Reversal of)/loss allowance	(7,732)	9,557
Acquisition of subsidiaries	71,408	–
Written off	(17,908)	(8,205)
	<u>101,098</u>	<u>55,330</u>
Discontinued operations:		
At the beginning of the year	15,073	2,177
Loss allowance	870	12,896
Distribution of discontinued operations	(15,943)	–
	<u>–</u>	<u>15,073</u>

12 TRADE AND OTHER PAYABLES

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Trade payables	3,399,138	2,358,279
Bills payable	<u>214,889</u>	<u>891,391</u>
	3,614,027	3,249,670
Other payables and accruals	<u>1,562,197</u>	<u>793,507</u>
Amounts due to third parties	5,176,224	4,043,177
Dividends payable to the then-shareholders of the acquired subsidiaries	58,728	–
Dividends payable to non-controlling interests	10,972	10,566
Amounts due to related parties	<u>284,115</u>	<u>245,446</u>
Trade and other payables	<u><u>5,530,039</u></u>	<u><u>4,299,189</u></u>

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

	2022 <i>RMB'000</i>	2021 <i>RMB'000</i>
Within 1 year	3,556,093	3,239,416
1 year to 2 years	40,712	8,900
2 years to 3 years	9,093	1,014
Over 3 years but within 5 years	<u>8,129</u>	<u>340</u>
	<u><u>3,614,027</u></u>	<u><u>3,249,670</u></u>

The amounts due to related parties are all aged within 1 year, and are unsecured, non-interest bearing and repayable on demand.

13 CONVERTIBLE BONDS

On 5 September 2018, Conch Venture BVI, a subsidiary of the Company, issued zero coupon guaranteed convertible bond (“the **Bonds**”) with aggregate principal amount of HKD3,925,000,000 (equivalent to approximately RMB3,413,730,000) and received cash after deduction of transaction costs of HKD3,882,043,000 (equivalent to approximately RMB3,376,369,000).

Pursuant to the terms of the Bonds, the Bonds will be due in September 2023 and are guaranteed by the Company. The bond holders could convert part of or the remaining outstanding bond balances at the holder’s option into fully paid ordinary shares of the Company at an initial conversion price of HKD40.18 per share, subject to adjustments under certain terms and conditions of the Bonds.

The convertible bonds can be settled by exchange of a fixed amount of cash in HKD with a fixed number of the Company’s equity instruments. In accordance with the Group’s accounting policy, the convertible bonds are accounted for as compound financial instruments which contain both a liability component and an equity component.

The movements of the components of the convertible bonds during current period are set out below:

	Liability component (At amortised cost) RMB’000	Equity component (Residual amount) RMB’000	Total RMB’000
At 1 January	3,470,110	54,466	3,524,576
Interest charge	113,882	–	113,882
Exchange adjustment	(100,706)	–	(100,706)
	<u>3,483,286</u>	<u>54,466</u>	<u>3,537,752</u>
At 31 December 2021 and 1 January 2022	3,483,286	54,466	3,537,752
Interest charge	123,259	–	123,259
Redemption of convertible bonds	(48,579)	(675)	(49,254)
Exchange adjustment	322,378	–	322,378
	<u>3,880,344</u>	<u>53,791</u>	<u>3,934,135</u>
At 31 December 2022	<u>3,880,344</u>	<u>53,791</u>	<u>3,934,135</u>

In November 2022, Conch Venture BVI early redeemed the Bonds in an aggregate payment of HKD55,160,000 (equivalent to approximately RMB49,254,000) at 106.00 and 106.13 per cent of its principal amounts, respectively.

14 DISCONTINUED OPERATIONS

As at 31 December 2021, the directors of the Company considered that it was highly probably that the solid waste solutions business would be distributed to the Company's shareholders within the next twelve months. On 30 March 2022, the shares of Conch Environment were listed on the Stock Exchange, and the spin-off was completed.

As a result, the consolidated assets and liabilities of Conch Environment were classified as held for distribution as at 31 December 2021 and the consolidated results of Conch Environment for the period from 1 January 2022 to 30 March 2022 and the year ended 31 December 2021 were presented in the consolidated statements of profit or loss and other comprehensive income as discontinued operations. The consolidated statements of profit or loss and other comprehensive income distinguished the discontinued operations from the continuing operations.

The summarised financial information of Conch Environment presented below represents the amounts after the intra-group elimination.

(a) Results of discontinued operations

	<i>Note</i>	For the period from 1 January 2022 to 30 March 2022 RMB'000	2021 RMB'000
Revenue	3	328,034	1,669,747
Cost of sales		<u>(163,125)</u>	<u>(672,985)</u>
Gross profit		164,909	996,762
Other net income	4	8,515	71,008
Distribution costs		(28,244)	(131,345)
Administrative expenses		<u>(58,988)</u>	<u>(225,606)</u>
Profit from operations		86,192	710,819
Finance costs	5(a)	(21,404)	(45,701)
Share of profits of associates		<u>2,262</u>	<u>9,812</u>
Profit before taxation	5	67,050	674,930
Income tax	6(a)	(10,292)	(51,200)
Profit for the period/year		56,758	623,730
Net gain on distribution in specie		<u>12,049,261</u>	<u>–</u>
Profit for the period/year from discontinued operations		<u>12,106,019</u>	<u>623,730</u>
Attributable to:			
Equity shareholder of the Company		12,107,011	552,735
Non-controlling interests		<u>(992)</u>	<u>70,995</u>
Profit for the period/year from discontinued operations		<u>12,106,019</u>	<u>623,730</u>

(b) Cash flows used in discontinued operations

	For the period from 1 January 2022 to 30 March 2022 RMB'000	2021 RMB'000
Net cash generated from operating activities	148,450	767,721
Net cash used in investing activities	(473,011)	(2,133,069)
Net cash generated from financing activities	270,354	1,322,677
	<hr/>	<hr/>
Net decrease in cash and cash equivalents from discontinued operations	(54,207)	(42,671)
	<hr/> <hr/>	<hr/> <hr/>

(c) Net gain on distribution in specie

Details of net assets of discontinued operations at date of distribution in specie are set out below:

	As at 30 March 2022 RMB'000
Net assets distributed	
Property, plant and equipment	5,543,932
Right-of-use assets	207,531
Intangible assets	132,231
Goodwill	9,219
Interests in associates	71,101
Non-current portion of trade and other receivables	339,101
Deferred tax assets	4,864
Inventories	9,897
Trade and other receivables	793,082
Restricted bank deposits	25,827
Bank deposits with original maturity over three months	1,680
Cash and cash equivalents	541,906
	<hr/>
Total assets	7,680,371
	<hr/> <hr/>

	As at 30 March 2022 RMB'000
Loans and borrowings	(3,339,595)
Trade and other payables	(1,072,017)
Contract liabilities	(17,895)
Lease liabilities	(3,976)
Income tax payables	(18,348)
Deferred tax liabilities	(28,974)
	<hr/>
Total liabilities	(4,480,805)
Book value of net assets	3,199,566
Non-controlling interest	(677,292)
	<hr/>
Book value of net assets distributed	<u>2,522,274</u>

The fair value of Conch Environment is with reference to the closing price and the number of issued shares on the first day of listing of Conch Environment on 30 March 2022 in accordance with IFRIC 17.

Analysis of net gain on distribution in specie:

	As at 30 March 2022 RMB'000
Fair value of Conch Environment	14,495,378
Less: Net assets distributed of Conch Environment	(2,522,274)
Less: recognition of unrealised profits arising from intra-group transactions	76,157
	<hr/>
Net gain on distribution	<u>12,049,261</u>
Attributable to:	
Equity shareholder of the Company	12,049,261
Non-controlling interests	-
	<hr/>
Net gain on distribution	<u>12,049,261</u>

MANAGEMENT DISCUSSION AND ANALYSIS

MARCO ENVIRONMENT

In 2022, as the trade game among global economies continued to intensify, trade frictions between countries became more frequent, which further suppressed global consumption and investment demand. Amid such complex external environment, China efficiently implemented a number of macroeconomic stabilization policies and achieved a GDP growth of approximately 3% compared to 2021, ranking among the leading economies in the world, with a stable and positive development trend.

Currently, China is in a critical period of transformation to a net-zero society, and the environmental protection industry is also in an important strategic position in the “14th Five-Year Plan” in China. The Group always insists on green development, focuses on the main business of environmental protection, continues to improve the quality of project operation, strives to build benchmark projects, insists on technological innovation to lead the future development of the enterprise, focuses on the development of two major business segments: municipal waste treatment and new energy materials, promotes the optimization of the Group’s industrial structure, and consolidates the Group’s advantageous position in the industry with new technologies, new processes and new industries.

During the Reporting Period, the continuing operations of the Group achieved operating revenue of RMB7.896 billion, increased by approximately 18.20% as compared with the corresponding period of the previous year. Net profit (excluding share of profits of associates) of our principal activities attributable to equity shareholders of the Group from continuing operations for 2022 amounted to RMB0.915 billion, increased by approximately 22.53% as compared with the corresponding period of the previous year.

BUSINESS REVIEW

Under the strong leadership of the Board, the Group overcame negative external factors and focused on the expansion of the nationwide waste-to-energy sector, seizing the project construction, optimizing the projects technical transformation measures, and improving the digital management of the project to achieve the growth in both scale and efficiency. Meanwhile, the Group has vigorously developed new energy industry, strengthened market expansion, deepened business cooperation with upstream and downstream enterprises, broadened industrial development concepts, reserved high-quality technology for the Group's future development of new energy industry. During the Reporting Period, the first phase of the project on lithium iron phosphate cathode materials for the new energy industry was successfully put into operation and the construction of the project on anode materials has begun and steadily constructing a new energy industry layout.

During the Reporting Period, the Group signed new contracts for 26 waste treatment projects (including 11 mergers and acquisitions projects), 1 new energy materials project and 3 projects of lithium battery recycling and comprehensive utilization.

In March 2022, China Conch Environment Protection Holdings Limited (the “**Conch Environment**”) (which, together with its subsidiaries, are principally engaged in solid waste treatment business) was spun-off by way of introduction through a distribution in specie to the shareholders of the Company and separately listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Conch Environment Spin-off**”), taking the Group's environmental protection industry to a new stage. The solid waste solutions business is classified as discontinued operations of the Group. For further details in relation to the Conch Environment Spin-off, please refer to the announcements of the Company dated 28 September 2021, 4 March 2022, 7 March 2022 and 16 March 2022 respectively and the listing document in relation to the Conch Environment Spin-off issued by Conch Environment on 22 March 2022.

As of the end of the Reporting Period, the Group had promoted and signed contracts for 118 environment protection projects in 25 provinces, cities and autonomous regions nationwide and Vietnam, including 101 grate furnace power generation projects, 2 kitchen waste treatment projects, 10 waste treatment by cement kilns projects, 2 new energy materials projects and 3 projects of lithium battery recycling comprehensive utilization, with the scale of a treatment capacity of approximately 20,324,000 tonnes of municipal waste/year (approximately 56,670 tonnes/day).

Municipal waste treatment

1. Grate Furnace Power Generation

1) Project expansion

The Group has always placed a high priority on project expansion, fully utilizing the Group's resources to enrich its procurement of project and carried out mergers and acquisitions of high-quality projects. During the Reporting Period, the Group acquired 11 grate furnace power generation projects under Agile Group Holdings Limited (the "**Agile Holdings**") and Hangzhou Jinjiang Group Limited (the "**Hangzhou Jinjiang Group**") and signed new contracts for 15 waste treatment projects in Danjiangkou, Hubei Province, Yongde, Yunnan Province, Dongzhi, Anhui Province, Pingguo, Guangxi Region Phase 2, Yanshan, Yunnan Province Phase 2, Songming, Yunnan Province Phase 2, Zhuanglang, Gansu Province and Jianshui, Yunnan Province, involving a production capacity of approximately 6,330,000 tonnes/year.

2) Project operation

On the one hand, the Group broadens the sources of high-quality waste externally to increase the waste input volume; on the other hand, the Group sums up the operational experience of high-quality projects, strengthens technical upgrades, enhances project operational efficiency through the implementation of professional management, and steadily optimizes operational indicators such as electricity generation in tonne and on-grid electricity generation in tonne and project turnover rate.

During the Reporting Period, for the grate furnace power generation business, the Group received a total of approximately 12.14 million tonnes of municipal waste, representing a year-on-year increase of 125%. Disposed of approximately 10.33 million tonnes of domestic waste, representing an increase of 127% year-on-year. Grid electricity generated was approximately 3,470 million kWh, representing an increase of 109% year-on-year. The average tonnage of electricity fed into the grid was approximately 336 kWh.

Details of the Group's grate furnace waste-to-energy projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
1	In operation	Jinzhai, Anhui Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2016
2		Tongren, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	July 2017
3		Yanshan, Yunnan Province (phase 1)	110,000 tonnes/year (300 tonnes/day)	August 2017
4		Huoqiu, Anhui Province	2×140,000 tonnes/year(2×400 tonnes/day)	January 2018
5		Li County, Hunan Province	2×140,000 tonnes/year(2×400 tonnes/day)	April 2018
6		Songming, Yunnan Province (Phase 1)	110,000 tonnes/year (300 tonnes/day)	January 2019
7		Shanggao, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	February 2019
8		Yiyang, Jiangxi Province	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019
9		Shache, Xinjiang	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019
10		Sishui, Shandong Province	140,000 tonnes/year (400 tonnes/day)	June 2019
11		Bole, Xinjiang	110,000 tonnes/year (300 tonnes/day)	July 2019
12		Yang County, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	October 2019
13		Baoshan, Yunnan Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2020
14		Fuquan, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2020
15		Lujiang, Anhui Province	2×180,000 tonnes/year (2×500 tonnes/day)	January 2020
16		Xianyang, Shaanxi Province	2×270,000 tonnes/year (2×750 tonnes/day)	July 2020
17		Xishui, Guizhou Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	July 2020
18		Shizhu, Chongqing City	110,000 tonnes/year (300 tonnes/day)	August 2020
19		Huoshan, Anhui Province	140,000 tonnes/year (400 tonnes/day)	August 2020
20		Tengchong, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	November 2020
21		Ningguo, Anhui Province	140,000 tonnes/year (400 tonnes/day)	November 2020
22		Luxi, Yunnan Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2021
23		Mangshi, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	March 2021
24		Luoping, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	March 2021
25		Dexing, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	November 2020
26		Zongyang, Anhui Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	April 2021
27		Shahe, Hebei Province (Phase 1)	2×180,000 tonnes/year (2×500 tonnes/day)	April 2021
28		Shimen, Hunan Province	180,000 tonnes/year (500 tonnes/day)	May 2021
29		Jiuquan, Gansu Province	180,000 tonnes/year (500 tonnes/day)	June 2021
30		Manzhouli, Inner Mongolia	140,000 tonnes/year (400 tonnes/day)	June 2021
31		Hanshou, Hunan Province	140,000 tonnes/year (400 tonnes/day)	June 2021

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
32	In operation	Suiyang, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	June 2021
33		Panshi, Jilin Province	140,000 tonnes/year (400 tonnes/day)	July 2021
34		Pingguo, Guangxi Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	July 2021
35		Tongchuan, Shaanxi Province	180,000 tonnes/year (500 tonnes/day)	August 2021
36		Zhenxiong, Yunnan Province (Phase 1)	180,000 tonnes/year (500 tonnes/day)	September 2021
37		Shuangfeng, Hunan Province	180,000 tonnes/year (500 tonnes/day)	October 2021
38		Hejin, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	October 2021
39		Pingliang, Gansu Province	180,000 tonnes/year (500 tonnes/day)	November 2021
40		Binzhou, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	November 2021
41		Tongzi, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	November 2021
42		Wuwei, Anhui Province	180,000 tonnes/year (500 tonnes/day)	December 2021
43		Fugou, Henan Province	220,000 tonnes/year (600 tonnes/day)	April 2022
44		Du'an, Guangxi Region	140,000 tonnes/year (400 tonnes/day)	June 2022
45		Luzhai, Guangxi Region	140,000 tonnes/year (400 tonnes/day)	June 2022
46		Suzhou, Anhui Province	180,000 tonnes/year (500 tonnes/day)	August 2022
47		Longkou, Shandong Province	220,000 tonnes/year (600 tonnes/day)	August 2022
48		Zhangjiakou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	September 2022
49		Fengning, Hebei Province	110,000 tonnes/year (300 tonnes/day)	October 2022
50		He County, Anhui Province	220,000 tonnes/year (600 tonnes/day)	October 2022
51		Naiman Banner, Inner Mongolia	110,000 tonnes/year (300 tonnes/day)	November 2022
52	In operation (Project acquired)	Luanzhou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021
53		Guantao, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021
54		Guan County, Shandong Province	220,000 tonnes/year (600 tonnes/day)	March 2020
55		Chiping, Shandong Province	220,000 tonnes/year (600 tonnes/day)	June 2018
56		Jinxiang, Shandong Province	290,000 tonnes/year (800 tonnes/day)	October 2019
57		Chenzhou, Hunan Province	450,000 tonnes/year (1,250 tonnes/day)	July 2015
58		Baotou, Inner Mongolia	490,000 tonnes/year (1,350 tonnes/day)	December 2012
59		Hohhot, Inner Mongolia (Phase 1)	360,000 tonnes/year (1,000 tonnes/day)	November 2017
60		Jilin, Jilin Province	540,000 tonnes/year (1,500 tonnes/day)	January 2009
61		Bijie, Guizhou Province	290,000 tonnes/year (800 tonnes/day)	April 2021
62	Jingdezhen, Jiangxi Province (Phase 1)	360,000 tonnes/year (1,000 tonnes/day)	November 2016	
Sub-total			12,810,000 tonnes/year (35,600 tonnes/day)	

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
63	Under approval and planning	Weichang, Hebei Province	110,000 tonnes/year (300 tonnes/day)	February 2023
64		Shucheng, Anhui Province	140,000 tonnes/year (400 tonnes/day)	April 2023
65		Shulan, Jilin Province	140,000 tonnes/year (400 tonnes/day)	April 2023
66		Bac Ninh, Vietnam	110,000 tonnes/year (300 tonnes/day)	May 2023
67		Hohhot, Inner Mongolia (Phase II)	270,000 tonnes/year (750 tonnes/day)	May 2023
68		Jinning, Yunnan Province	140,000 tonnes/year (400 tonnes/day)	July 2023
69		Taonan, Jilin Province	140,000 tonnes/year (400 tonnes/day)	July 2023
70		Jingdezhen, Jiangxi Province (Phase II)	180,000 tonnes/year (500 tonnes/day)	August 2023
71		Meitan, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	August 2023
72		Xichou Yunnan Province	180,000 tonnes/year (500 tonnes/day)	September 2023
73		Songming, Yunnan Province (Phase 2)	180,000 tonnes/year (500 tonnes/day)	October 2023
74		Liangping, Chongqing City	140,000 tonnes/year (400 tonnes/day)	October 2023
75		Danjiangkou, Hubei Province	110,000 tonnes/year (300 tonnes/day)	October 2023
76		Huayin, Shaanxi Province	140,000 tonnes/year (400 tonnes/day)	November 2023
77		Qingzhen, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	November 2023
78		Pingguo, Guangxi Province (Phase II)	140,000 tonnes/year (400 tonnes/day)	December 2023
79		Qiyang, Hunan Province	180,000 tonnes/year (500 tonnes/day)	December 2023
80		Dongzhi, Anhui Province	140,000 tonnes/year (400 tonnes/day)	January 2024
81		Gengma, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	April 2024
82		Jianshui, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	April 2024
83		Yongde, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	May 2024
84		Wushan, Chongqing City	130,000 tonnes/year (350 tonnes/day)	May 2024
85		Zhuanglang, Gansu Province	180,000 tonnes/year (500 tonnes/day)	July 2024
86		Haidong, Qinghai Province	180,000 tonnes/year (500 tonnes/day)	August 2024
Sub-total:			3,720,000 tonnes/year (10,400 tonnes/day)	

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
87	Under approval and planning	Tai'an, Liaoning Province	110,000 tonnes/year (300 tonnes/day)	/
88		Yan Shan, Yunnan Province (Phase II)	110,000 tonnes/year (300 tonnes/day)	/
89		Hunyuan, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	/
90		Lufeng, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	/
91		Youxi, Fujian Province	2×140,000 tonnes/year (2×400 tonnes/day)	/
92		Yun County, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	/
Sub-total:			970,000 tonnes/year (2,700 tonnes/day)	
93	Reserve project	Zhenxiong, Yunnan Province (Phase II)	180,000 tonnes/year (500 tonnes/day)	/
94		Xishui, Guizhou Province (Phase II)	140,000 tonnes/year (400 tonnes/day)	/
95		Zongyang, Anhui Province (Phase II)	140,000 tonnes/year (400 tonnes/day)	/
96		Nandan, Guangxi Province	110,000 tonnes/year (300 tonnes/day)	/
97		Yuanyang, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	/
98		Shahe, Hebei Province (Phase II)	2×180,000 tonnes/year (2×500 tonnes/day)	/
99		Taiyuan, Vietnam	180,000 tonnes/year (500 tonnes/day)	/
100		Xuan Son, Vietnam	2×180,000 tonnes/year (2×500 tonnes/day)	/
101		Gampaha District, Sri Lanka	180,000 tonnes/year (500 tonnes/day)	/
Sub-total:			1,760,000 tonnes/year (4,900 tonnes/day)	
Total:			19,260,000 tonnes/year (53,600 tonnes/day)	

As of the date of this announcement, a total of 29 of the Group's grate furnace power generation projects were included in the list of National subsidized renewable energy power generation projects.

2. Kitchen Waste Treatment

The Group has actively expanded the kitchen waste business. As of the end of Reporting Period, a total of 13 projects was contracted, with a treatment capacity of approximately 324,000 tonnes/year, of which Anhui Wuhu and Anhui Lingbi are independently operated project companies.

Details of the Group's kitchen waste treatment projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity
1	In operation	Longkou, Shandong Province	10,000 tonnes/year (30 tonnes/day)
2		Fengning, Hebei Province	7,000 tonnes/year (20 tonnes/day)
3		Fugou, Henan Province	10,000 tonnes/year (30 tonnes/day)
4		Hejin, Shanxi Province	20,000 tonnes/year (45 tonnes/day)
5		Pingliang, Gansu Province	20,000 tonnes/year (50 tonnes/day)
6		Suzhou, Anhui Province	70,000 tonnes/year (200 tonnes/day)
Sub-total:			137,000 tonnes/year (375 tonnes/day)
7	Under construction	Weichang, Hebei Province	7,000 tonnes/year (20 tonnes/day)
8		Jinzhai, Anhui Province	20,000 tonnes/year (45 tonnes/day)
9		Songming, Yunnan Province	20,000 tonnes/year (50 tonnes/day)
10		Jinning, Yunnan Province	10,000 tonnes/year (30 tonnes/day)
11		Liangping, Chongqing City	20,000 tonnes/year (50 tonnes/day)
12		Wuhu, Anhui Province	70,000 tonnes/year (200 tonnes/day)
13		Lingbi, Anhui Province	40,000 tonnes/year (100 tonnes/day)
Sub-total:			187,000 tonnes/year (495 tonnes/day)
Total:			324,000 tonnes/year (870 tonnes/day)

3. Waste Treatment by Cement Kiln

As of the end of the Reporting Period, 10 projects of waste treatment by cement kilns were completed, with a treatment capacity of approximately 740,000 tonnes/year. A total of approximately 417,000 tonnes of municipal waste were received and actual municipal waste treatment volume was approximately 388,000 tonnes.

Details of the Group's waste treatment by cement kilns projects are set out in the following table:

No.	Status of Construction	Project Location	Business Model	Treatment Capacity
1	In Operation	Yuping, Guizhou Province	BOT	30,000 tonnes/year (100 tonnes/day)
2		Qingzhen, Guizhou Province		100,000 tonnes/year (300 tonnes/day)
3		Yangchun, Guangdong Province		70,000 tonnes/year (200 tonnes/day)
4		Qiyang, Hunan Province		100,000 tonnes/year (300 tonnes/day)
5		Fusui, Guangxi Province		70,000 tonnes/year (200 tonnes/day)
6		Nanjiang, Sichuan Province		70,000 tonnes/year (200 tonnes/day)
7		Lingyun, Guangxi Province		30,000 tonnes/year (100 tonnes/day)
8		Linxia, Gansu Province		100,000 tonnes/year (300 tonnes/day)
9		Xing'an, Guangxi Province		100,000 tonnes/year (300 tonnes/day)
10		Yingjiang, Yunnan Province		70,000 tonnes/year (200 tonnes/day)
Total:				740,000 tonnes/year (2,200 tonnes/day)

As of the end of Reporting Period, the Group has a municipal waste treatment capacity of approximately 20,324,000 tonnes/year (approximately 56,670 tonnes/day), including approximately 13,687,000 tonnes/year (approximately 38,175 tonnes/day) completed and approximately 6,637,000 tonnes/year (approximately 18,495 tonnes/day) under construction and under approval and planning.

New Energy Materials

The new energy vehicle industry of China is in the stage of rapid development, lithium battery with its high storage energy density, long lifetime, green and other advantages, become the first choice of new energy vehicle power battery. At present, China is the largest producer and the largest exporter of lithium batteries.

The Group has taken the initiative to develop the new energy industry and seized the project construction, promote the early commissioning of projects, increase market expansion, strive to increase its market share, take over the solid and hazardous waste treatment business, and create a new development paradigm of “environmental protection + new energy” dual engines with the grate furnace power generation business segment. During the Reporting Period, the first phase of the lithium iron phosphate cathode materials projects with a production capacity scale of 50,000 tonnes/year was completed and put into operation in September 2022 with product trial sales. The Group is actively conducting product trials with various power battery and energy storage battery companies in an effort to achieve the production and sales target as soon as possible. For the project on cathode materials for energy storage battery, the planned production capacity scale is 200,000 tonnes/year of cathode materials. The production capacity scale of the first phase of construction is expected to be approximately 40,000 tonnes/year. At present, work including the construction of the projects are progressing in an orderly manner.

At the same time, the Group fully utilized its cement kiln resources to carry out research and development of lithium battery recycling integrated utilization technology to build a closed loop of new energy industry. During the Reporting Period, the Group’s self-developed recycling project with a treatment capacity of 5,000 tonnes/year was put into production and was successfully selected as a “White List” enterprise of the Ministry of Industry and Information Technology of the People’s Republic of China for the comprehensive utilization of waste power batteries, the project will accumulate rich operational experience for the Group and promote the national lithium battery recycling project layout with high quality. During the Reporting Period, the Group has signed three lithium battery recycling projects in Huaibei, Anhui province, Wuhu, Anhui province and Dengfeng, Henan province, with a contracted treatment capacity of 45,000 tonnes/year. In the future, the Group will enhance the efficiency of lithium battery recycling by improving technological innovation, and leverage the core technology advantage to advance the development of the lithium battery recycling industry and reserve momentum for new round of environmental protection industry development of the Group.

New Building Materials and Port Logistics

The Group strives to enhance the competitiveness of its products through innovative sales strategies for new building materials, building a professional marketing team and focusing on market expansion in key regions, with market demand being the priority. At the same time, the Group is actively building a green ecological terminal, reducing energy consumption through technological transformation, optimizing the process and enriching the cargo sources to achieve steady development of the port logistics business.

During the Reporting Period, the Group recorded new building materials product sales of approximately 7.72 million square meters, with revenue of RMB127.35 million, and port logistic throughput of approximately 34.05 million tonnes, with revenue of RMB234.41 million.

PROFITS FROM CONTINUING OPERATIONS

Item	2022 Amount (RMB'000)	2021 Amount (RMB'000)	Changes between the Reporting Period and the corresponding period of the previous year (%)
Revenue	7,896,322	6,680,738	18.20%
Profit before taxation	4,372,229	7,258,531	-39.76%
Share of profits of associates	2,936,787	6,158,328	-52.31%
Profit before taxation from principal businesses	1,435,442	1,100,203	30.47%
Net profit attributable to equity shareholders of the Company	3,852,177	6,905,394	-44.21%
Net profit from principal businesses attributable to equity shareholders of the Company	915,390	747,066	22.53%

During the Reporting Period, the Group achieved revenue from continuing operations of RMB7,896.32 million, representing a year-on-year increase of 18.20%. Profit before taxation from continuing operations amounted to RMB4,372.23 million, representing a year-on-year decrease of 39.76%, mainly due to the decrease in profits receivable from associates such as Conch Holdings. Share of profits of associates from continuing operations amounted to RMB2,936.79 million, representing a year-on-year decrease of 52.31%. Profit before taxation from principal businesses from continuing operations amounted to RMB1,435.44 million, representing a year-on-year increase of 30.47%. Net profit attributable to equity shareholders of the Company from continuing operations amounted to RMB3,852.18 million, representing a year-on-year decrease of 44.21%, among which, net profit from principal businesses attributable to equity shareholders from continuing operations amounted to RMB915.39 million, representing a year-on-year increase of 22.53%. Basic earnings per share and diluted earnings per share from continuing operations amounted to RMB2.12.

1. Revenue by business stream

Item	2022		2021		Change in amount (%)	Change in percentage (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Waste incineration solutions	6,561,015	83.09	5,743,801	85.98	14.23	-2.89
Energy saving equipment	967,810	12.26	569,811	8.53	69.85	3.73
New building materials	127,349	1.61	142,850	2.14	-10.85	-0.53
New energy materials	5,734	0.07	-	-	-	0.07
Port logistics	234,414	2.97	224,276	3.36	4.52	-0.39
Total	7,896,322	100.00	6,680,738	100.00	18.20	-

During the Reporting Period, revenue from continuing operations of the Group maintained growth. Revenue from energy saving equipment and waste incineration solutions showed more substantial year-on-year growth. With a breakdown by business:

- (i) The revenue from waste incineration solutions amounted to RMB6,561.02 million, representing a year-on-year increase of 14.23%, which was mainly due to the successive commencement of operation of 14 projects of the Group in Wuwei, Hejin, Zhoukou, Pingliang, Tongzi, Zhangjiakou, Maanshan and other locations, and merger and acquisition of 11 power generation projects under Agile Holdings and Hangzhou Jinjiang Group during the Reporting Period, resulting in the growth in revenue.

- (ii) The revenue from energy saving equipment amounted to RMB967.81 million, representing a year-on-year increase of 69.85%, which was mainly due to the increase in orders for residual heat power generation of Yunfeng Cement and Chizhou Conch, resulting in the growth in revenue.
- (iii) The revenue from new building materials amounted to RMB127.35 million, representing a year-on-year decrease of 10.85%, which was mainly due to the decreased sales volume resulting from intensified competition in the market.
- (iv) The revenue from new energy materials amounted to RMB5.73 million, which was mainly due to the Group's expansion into new business segments.
- (v) The revenue from port logistics amounted to RMB234.41 million, representing a year-on-year increase of 4.52%, mainly due to the Group's aggressive market development and the year-on-year increase in transportation volume, which led to the increase in revenue.

Breakdown of revenue from waste incineration solutions

Revenue Breakdown	2022		2021		Change in amount (%)	Percentage Change (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
Construction revenue	3,884,903	59.21	4,489,191	78.16	-13.46	-18.95
Grate furnace power generation	3,834,396	58.44	4,441,704	77.33	-13.67	-18.89
Waste treatment by cement kilns	50,507	0.77	47,487	0.83	6.36	-0.06
Operation revenue	2,676,112	40.79	1,254,610	21.84	113.30	18.95
Grate furnace power generation	2,611,752	39.81	1,201,941	20.93	117.29	18.89
Waste treatment by cement kilns	64,360	0.98	52,669	0.92	22.20	0.06
Total	6,561,015	100.00	5,743,801	100.00	14.23	-

During the Reporting Period, the revenue from waste incineration solutions segment during the construction period amounted to RMB3,884.90 million, representing a period-on-period decrease of 13.46%, which was mainly due to the delayed progress of the Group's certain projects and the decrease in the number of projects under construction. The operation revenue from waste incineration solutions segment amounted to RMB2,676.11 million, representing a year-on-year increase of 113.30%, which was mainly due to the commencement of operation of 14 new projects in Wuwei, Hejin, Zhoukou, Pingliang, Tongzi, Zhangjiakou, Maanshan and other locations and merger and acquisition of 11 power generation projects under Agile Holdings and Hangzhou Jinjiang Group during the Reporting Period, leading to the growth in revenue.

2. Revenue by geographical locations

Item	2022		2021		Change in amount (%)	Percentage Change (percentage points)
	Amount (RMB'000)	Percentage (%)	Amount (RMB'000)	Percentage (%)		
China	7,787,839	98.63	6,481,158	97.01	20.16	1.61
Asia-Pacific (except Mainland China)	108,483	1.37	197,917	2.96	-45.19	-1.59
South America	-	-	1,663	0.02	-100.00	-0.02
Total	<u>7,896,322</u>	<u>100.00</u>	<u>6,680,738</u>	<u>100.00</u>	<u>18.20</u>	<u>-</u>

During the Reporting Period, the Group's revenue of continuing operations derived from China recorded a year-on-year increase of 20.16%, which was mainly due to the increase in the number of projects commencing operation and grate furnace power generation projects under construction. The revenue of continuing operations derived from Asia-Pacific (except mainland China) amounted to RMB108.48 million, representing a year-on-year decrease of 45.19%, which was mainly due to the decrease in the number of orders in overseas.

3. Gross profit and gross profit margin

Item	2022		2021		Change in amount (%)	Percentage Change (percentage points)
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)		
Waste incineration solutions	1,803,312	27.49	1,367,043	23.80	31.91	3.69
Energy saving equipment	262,829	27.16	118,283	20.76	122.20	6.40
New building materials	17,976	14.12	24,253	16.98	-25.88	-2.86
New energy materials	488	8.51	-	-	-	8.51
Port logistics	144,148	61.49	137,877	61.48	4.55	0.01
Total	2,228,753	28.23	1,647,456	24.66	35.28	3.57

During the Reporting Period, the consolidated gross profit margin from continuing operations of the Group's products was 28.23%, representing a year-on-year increase of 3.57 percentage points, in terms of segments:

- (i) The gross profit margin for waste incineration solutions was 27.49%, representing a year-on-year increase of 3.69 percentage points. This was mainly due to the increase in the number of waste-to-energy projects commissioned by the Group and the increase in the proportion of gross profit in the operating period, resulting in an increase in the overall gross profit margin.
- (ii) The gross profit margin for energy saving equipment was 27.16%, representing a year-on-year increase of 6.40 percentage points, which was mainly due to enhanced cost control, resulting in higher gross margins.
- (iii) The gross profit margin for new building materials was 14.12%, representing a year-on-year decrease of 2.86 percentage points, mainly due to the increase in price of raw materials.
- (iv) The gross profit margin for port logistics was 61.49%, representing a year-on-year increase of 0.01 percentage points.

4. Other net income

During the Reporting Period, the Group's other net income from continuing operations amounted to RMB357.51 million, representing a year-on-year increase of RMB169.65 million, or 90.30%, which was mainly due to the year-on-year increase in government subsidies and interest income from bank deposits received by the Group.

5. Administrative expenses

During the Reporting Period, the Group's administrative expenses from continuing operations amounted to RMB531.58 million, representing a year-on-year increase of RMB127.65 million, or 31.60%, which was mainly due to the increase in employees' remuneration and research and development activities as a result of the increase in number of operating companies.

6. Finance costs

During the Reporting Period, the Group's finance costs from continuing operations amounted to RMB599.44 million, representing a year-on-year increase of RMB288.48 million, or 92.77%, which was mainly due to the new bank loans raised by the Group, resulting in the increase in finance costs.

FINANCIAL POSITION

As at 31 December 2022, the Group's total assets amounted to RMB75,379.88 million, representing an increase of RMB6,460.81 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB44,862.01 million, representing a decrease of RMB407.78 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 37.42%, representing an increase of 5.12 percentage points as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As at 31 December 2022 (RMB'000)	As at 31 December 2021 (RMB'000)	Change between the end of the Reporting Period and the end of the previous year (%)
Property, plant and equipment	4,077,828	1,212,651	236.27
Non-current assets	66,016,132	55,684,506	18.55
Non-current liabilities	17,853,809	13,243,401	34.81
Current assets	9,363,745	13,234,560	-29.25
Current liabilities	10,353,664	9,018,229	14.81
Net current (liabilities)/assets	-989,919	4,216,331	-123.48
Equity attributable to equity shareholders of the Company	44,862,013	45,269,794	-0.90
Total assets	75,379,877	68,919,066	9.37
Total liabilities	28,207,473	22,261,630	26.71

Non-current assets and Non-current liabilities

As at 31 December 2022, non-current assets of the Group amounted to RMB66,016.13 million, representing an increase of 18.55% as compared to the end of the previous year, which was mainly due to the increase in investment in property, plant and equipment and intangible assets; non-current liabilities amounted to RMB17,853.81 million, representing an increase of 34.81% as compared to the end of the previous year, which was mainly due to the increase in bank loans during the Reporting Period.

Current assets and Current liabilities

As at 31 December 2022, current assets of the Group amounted to RMB9,363.75 million, current liabilities amounted to RMB10,353.66 million, and net current liabilities amounted to RMB989.92 million, representing a decrease of RMB5,206.25 million in net current assets, compared with the balances as at 31 December 2021, which was mainly due to the convertible bonds (as defined below) issued in September 2018 which will be due in September 2023 and Conch Environment is reclassified to current liability.

Equity attributable to equity shareholders of the Company

As at 31 December 2022, the Group's equity attributable to equity shareholders of the Company amounted to RMB44,862.01 million, representing an decrease of 0.90% as compared to the end of the previous year, which was mainly due to the spin-off and separate listing of Conch Environment and distribution in specie.

LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, the Group took full advantage of the capital size and enhanced returns of the stock funds through enhancing capital planning and management and reasonable allocation of project loans, so as to fully satisfy the Company's capital needs. As at 31 December 2022, the Group's cash and cash equivalents amounted to RMB4,361.64 million, which were mainly denominated in RMB, Hong Kong dollars and US dollars.

The Company has received the approval of registration from National Association of Financial Market Institutional Investors (zhong shi xie zhu [2023] GN1) for issuing unsecured medium term notes in the aggregate amount of not more than RMB4 billion (the "**Panda Bonds**") with a validity period of two years from 18 January 2023, the completion of registration date. According to the Company's prospectus of the Panda Bonds, the Company will utilise the bond issuance proceeds of RMB3.5 billion to repay the convertible bonds due in September 2023. On 20 March 2023, the first batch of RMB1.2 billion of the Panda Bonds has been issued.

Bank loans

Item	As at 31 December 2022 (RMB'000)	As at 31 December 2021 (RMB'000)
Due within one year	690,590	602,528
Due after one year but within two years	940,520	832,071
Due after two year but within five years	6,474,896	2,972,312
Due after five years	10,080,429	5,850,919
Total	18,186,435	10,257,830

As at 31 December 2022, the balance of bank loans of the Group amounted to RMB18,186.44 million, representing an increase of RMB7,928.60 million as compared to the end of the previous year, which was mainly due to the new bank loans raised by the Group during the Reporting Period. As at 31 December 2022, the Group's bank loans were denominated in RMB and USD, and most of the loan interests were subject to variable interest rate.

Cash flows

Item	2022 (RMB'000)	2021 (RMB'000)
Net cash generated from operating activities	1,810,383	1,307,889
Net cash used in investing activities	-4,848,238	-7,007,927
Net cash generated from financing activities	4,779,923	5,518,323
Net increase in cash and cash equivalents	1,742,068	-181,715
Effect of foreign exchange rate changes	5,317	-12,666
Cash and cash equivalents at the beginning of the period	3,156,158	3,350,539
Distribution in specie	-541,906	-
Cash and cash equivalents at the end of the period	4,361,637	2,560,045
Analysis of cash and cash equivalents		
Cash and cash equivalents	4,361,637	2,560,045
Reclassification to assets classified as held for distribution	-	596,113
	4,361,637	3,156,158

Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB1,810.38 million, representing a year-on-year increase of RMB502.49 million, which was mainly due to an increase in the number of waste-to-energy projects in operation of the Group and the increase in the receipt of renewable energy power generation subsidies for certain power generation projects.

Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB4,848.24 million, representing a year-on-year decrease of RMB2,159.69 million, which was mainly due to the Conch Environment Spin-off resulting in a decrease in payment for purchase of property, plant and equipment, construction in progress and investment expenses of intangible assets and increase in proceeds from maturity of bank deposits over three months.

Net cash generated from financing activities

During the Reporting Period, net cash generated from financing activities of the Group amounted to RMB4,779.92 million, representing a year-on-year decrease of RMB738.40 million, which was mainly due to the repayment of loans and the effect of repurchased shares of the Company.

COMMITMENTS

As at 31 December 2022, the Group of continuing operations had capital commitments not provided for in the consolidated financial statements were as follows:

Item	As at 31 December 2022 (RMB'000)	As at 31 December 2021 (RMB'000)
Contracted for	5,856,926	2,485,364
Authorized but not contracted for	2,484,854	4,039,912
Total	8,341,780	6,525,276

FOREIGN EXCHANGE RISK

The Group's functional currency is RMB. Foreign exchange risks faced by the Group were mainly derived from account receivables and account payables arising from sales and procurement which were mainly denominated in currencies including US dollars and Hong Kong dollars. Other than that, most of the assets and transactions of the Group were denominated in RMB, and the capital expenditures of the Group's domestic business were generally funded with the revenue in RMB. As a result, the Group is not exposed to significant foreign exchange risks.

During the Reporting Period, the Group did not use any financial derivatives to hedge against any foreign exchange risks.

CONTINGENT LIABILITIES

As at 31 December 2022, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 31 December 2022, the Group's right-of-use assets with carrying amount of RMB423.96 million, property, plant and equipment with carrying amount of RMB936.45 million and trade and other receivables with carrying amount of RMB298.07 million were pledged as collaterals for certain bank loans.

Save as disclosed above, the Group did not have any other pledge of assets as at 31 December 2022.

MATERIAL INVESTMENTS, ACQUISITIONS OR DISPOSALS

During the Reporting Period, the Group acquired the equity interest of six subsidiaries directly or indirectly held by Agile Holdings that are principally engaged in waste incineration power generation projects, at a total consideration of RMB1,401.81 million.

During the Reporting Period, the Group acquired the equity interest of five subsidiaries directly or indirectly held by Hangzhou Jinjiang Group that are principally engaged in waste incineration solutions, at a total consideration of RMB673.97 million.

In March 2022, through introduction by way of distribution in specie to the shareholders of the Company, the shares of Conch Environment were spun off and separately listed on the Main Board of the Stock Exchange. For further details of Conch Environment Spin-off, please refer to the announcements of the Company dated 28 September 2021, 4 March 2022, 7 March 2022 and 16 March 2022 and the listing document of Conch Environment dated 22 March 2022 in relation to Conch Environment Spin-off.

Save as disclosed above, during the Reporting Period, the Group did not have any other material investments, acquisitions or disposals.

CONVERTIBLE BONDS

On 5 September 2018, China Conch Venture Holdings International Limited (the “**Conch Venture BVI**”), a wholly-owned subsidiary of the Company, issued zero coupon guaranteed convertible bonds (“**Convertible Bonds**”) with an aggregate amount of HKD3.925 billion, the net proceeds from which amounted to approximately RMB3,376.40 million (“**Net Proceeds**”). All the Net Proceeds raised have been fully utilized according to the intended use as disclosed during the year ended 31 December 2020.

During the period from 14 November 2022 to 15 November 2022, Conch Venture BVI partially redeemed the Convertible Bond in the principal amount of HKD52,000,000 (the “**Partial Redemption**”). None of the principal amount of the Convertible Bonds has been converted into Conversion Shares. Immediately after the completion of the Partial Redemption and as at 31 December 2022, the outstanding principal amount of the Convertible Bond was HKD3,873,000,000. During the Reporting Period, the holders of the Convertible Bonds did not exercise any conversion rights.

HUMAN RESOURCES

The Group attached great importance to the construction and development of human resources, explored and optimized its corporate management system, strived to create an atmosphere of talent development concept of “respecting labour, knowledge, talents and creation”, and provided employees with competitive remuneration packages, safe and comfortable working environment and comprehensive welfare, and conducted various professional business training for employees from time to time, and encouraged employees to participate in training and exchange activities conducted by social and industrial organizations to enhance the comprehensive quality and professional skills of employees and stimulate their motivation and creativity. At the same time, the Group has also actively built a fair and balanced platform full of opportunities for the strategic development of diversified talents, and expanded recruitment channels through various means, recruited students with high academic qualifications, so as to further improve manpower and talent pool for corporate development.

As at 31 December 2022, the Group had 5,551 employees (excluding personnel in the solid waste treatment business segment). The remuneration of employees is based on qualifications, experience, work performance and market conditions. As required by the PRC regulations on social insurance, the Group participated in the social insurance schemes operated by local government authorities which include pension insurance, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance. During the Reporting Period, the total remuneration of employees (including the remuneration of the Directors) from continuing operations was approximately RMB585.26 million (2021: RMB374.33 million).

The Company has conditionally adopted a share option scheme (the “**Share Option Scheme**”) pursuant to a resolution in writing passed by all Shareholders on 3 December 2013 for the purpose of granting options to selected participants as incentives or rewards for their contribution to the Group. Since the listing of the Company, no option was granted pursuant to the Share Option Scheme.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In December 2022, the Group entered into four separate equity transfer agreements with third parties for acquisition of equity interests in four entities engaged in waste incineration solutions for an aggregate consideration of RMB478.7 million, subject to certain adjustments. As at the date of the report, the acquisitions of these four entities have been completed and the Group accounted for these acquisitions as business combinations in accordance with IFRS 3 and the four entities became subsidiaries of the Group.

Save as disclosed above, no significant subsequent events occurred in the Group after 31 December 2022 and up to the date of this announcement.

FUTURE PLAN AND OUTLOOK

At present, China is in the strategic opportunity period of upgrading the energy structure and transforming to a low carbon loop society. With the official introduction of national goals of “carbon peak” and “carbon neutrality”, it has become the main theme of the national economic development to carry out ecological environment management in all aspects, lead the high quality development of environmental protection enterprises, and promote the sustainable development of social economy. The environmental protection industry will usher in new opportunities for development. After development, the scale of the Group’s environmental protection projects ranks among the top in the industry, the quality of project operations has steadily improved, the new energy industry is ready for development, the recycling industry is accelerating, and the environmental protection industry is flourishing. Under the leadership of the Board, the Group will focus on the development of the whole industry chain with the new development plan as the agenda and focus on the following tasks:

Carry out professional management, ensure high quality project development

The Group will steadily develop its waste-to-energy business, continue to benchmark with high-quality enterprises, strengthen the daily operation and management of projects, seek new ideas for industrial development, and consolidate its advantageous position in the industry.

First, the Group strives to improve the quality of project operations. The Group will carry out technical improvements to reduce unit energy consumption and improve project operating rates. At the same time, the Group will make use of the Group's regional synergy advantage, innovate the business development pattern, enrich the sources and types of wastes, and further optimize the operational indicators such as electricity generation in tonne and on-grid electricity generation in tonne, so as to build a benchmark enterprise in the industry. Secondly, strengthen the daily management of projects. The Group will implement a standardized management mechanism within the Group, strengthen cost control and reduce unit operating costs. Lastly, the Group will continue to strengthen project expansion, accelerate the deployment of projects in provinces where they are not yet located, and carry out mergers and acquisitions of companies in the same industry in an effort to enhance our position in the industry.

Seize industry opportunities, consolidate new momentum for development

The new energy industry is the sunrise industry for the future development of the country and the core of future industrial development of the Group. The Group will seize the opportunity of the development of new energy industry, deepen the business cooperation between upstream and downstream industries, support by technology innovation and market demand, accelerate the layout of the recycling industry, collaborate with high-quality resources from all parties to ensure the development of the new energy industry sector in all aspects, and focus on the following tasks:

First, to expand market share and innovate sales ideas. The Group will focus on business cooperation with leading companies in the industry, strengthen business development with potential customers, continue to carry out external publicity, strive to expand product awareness, continue to improve the product sales structure, and increase the market share of products. Secondly, the Group will further improve the industrial chain. The Group will coordinate the centralized procurement of raw materials to reduce the cost per unit of production and conduct mergers and acquisitions between upstream and downstream enterprises in a timely manner to enhance the Group's overall competitiveness in the industry. Thirdly, the Group will accelerate the deployment of the recycling industry. The Group will coordinate the construction of a pipeline for the lithium battery recycling industry, strengthen cooperation with major cement enterprises and promote the nationwide deployment of the lithium battery recycling project. At the same time, relying on the Group's technological advantages, technical exchanges and discussions will be conducted to further optimize the Group's technology.

Strive to expand the market, enhance the profitability of the segment

The new building materials segment will continue to focus on the market, pay attention to the expansion of market share, and strive to realize the joint increase in production and sales volume. At the same time, the Group will strengthen professional management, control production costs and continue to expand the new building materials industry.

The port logistics segment will accelerate the technological transformation of terminals, establish a professional operation system and improve the efficiency of cargo transportation. At the same time, the Group will strengthen market expansion, enrich the types of cargoes to be transferred, and steadily improve the profitability of the segment.

FINAL DIVIDENDS

At the Board meeting held on 29 March 2023, the Board proposed to declare a final cash dividend of HKD0.40 per share for the year ended 31 December 2022. The proposed final dividend is subject to the approval of shareholders at the forthcoming annual general meeting (“AGM”). The final dividend is expected to be paid on 21 July 2023.

ANNUAL GENERAL MEETING

The 2023 AGM of the Company will be held on Tuesday, 20 June 2023. The notice of the AGM, which will be incorporated into the circular to the shareholders, will be sent together with the Company’s annual report for the year ended 31 December 2022 (“**2022 Annual Report**”).

CLOSURE OF REGISTER OF MEMBERS

For determining the qualification of shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 13 June 2023 to Tuesday, 20 June 2023, both days inclusive, during which period no transfer of shares will be registered. In order to qualify as shareholders to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Monday, 12 June 2023.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Monday, 3 July 2023 to Friday, 7 July 2023, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 30 June 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the Reporting Period, the Company repurchased a total of 13,780,000 shares of the Company at an aggregate consideration of HK\$276,985,110 which was funded by internal resources of the Group on the Stock Exchange.

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

Months in which shares were repurchased in 2022	Date of cancellation	Number of shares repurchased <i>(shares)</i>	Highest price paid per share <i>(HKD)</i>	Lowest price paid per share <i>(HKD)</i>	Total consideration paid <i>(HKD)</i>
April	15 June 2022	7,149,500	22.50	19.98	154,538,385
May	15 June 2022	1,154,000	20.05	19.82	22,968,045
June	15 June and 27 June 2022	<u>5,476,500</u>	20.00	16.22	<u>99,478,680</u>
Total		<u>13,780,000</u>			<u>276,985,110</u>

The Directors considered the above share repurchases were made with a view to place emphasis on shareholders' interest. Save as disclosed above, during the Reporting Period, neither the Company nor its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board confirmed that during the Reporting Period, the Company has complied with the principles and all applicable code provisions of Part 2 of the Corporate Governance Code of Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the transactions of securities of the Company by the Directors and the relevant employees (who likely possess inside information of the Company) ("**Securities Dealing Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("**Model Code**") set out in Appendix 10 to the Listing Rules. Having made specific enquiries by the Company, all Directors confirmed that they complied with the Model Code and the Securities Dealing Code during the Reporting Period.

REVIEW OF ANNUAL RESULTS

The annual results of the Group for the year ended 31 December 2022 have been reviewed by the audit committee of the Company.

PUBLICATION OF RESULTS ANNOUNCEMENT

This results announcement is available on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Company (www.conchventure.com). The 2022 Annual Report containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and published on the above websites in due course.

On behalf of the Board
China Conch Venture Holdings Limited
中國海螺創業控股有限公司
GUO Jingbin
Chairman

China, 29 March 2023

As at the date of this announcement, the Board comprises Mr. JI Qinying (Vice Chairman and Chief Executive Officer), Mr. SHU Mao, Mr. LI Jian and Mr. LI Daming as executive Directors; Mr. GUO Jingbin (Chairman) and Mr. YU Kaijun as non-executive Directors; and Mr. CHAN Chi On (alias Derek CHAN), Mr. CHAN Kai Wing and Mr. LAU Chi Wah, Alex as independent non-executive Directors.

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