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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)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 June 2025 amounted to approximately RMB3,086.33 million, representing a decrease of 1.55% as compared with the corresponding period of the previous year.
- Net profit attributable to equity shareholders of the Group for the six months ended 30 June 2025 amounted to approximately RMB1,285.54 million, representing an increase of 9.33% as compared with the corresponding period of the previous year; and net profit of our principal activities attributable to equity shareholders (excluding share of profits of associates) amounted to approximately RMB446.17 million, representing a decrease of 6.02% as compared with the corresponding period of the previous year.
- Basic earnings per share for the six months ended 30 June 2025 amounted to RMB0.76.
- The Board resolved to declare an interim dividend of HK\$0.10 per share for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

The board (the “**Board**”) of directors (the “**Directors**”) of China Conch Venture Holdings Limited (the “**Company**”) hereby presents the unaudited results of operation and financial position for the six months ended 30 June 2025 (the “**Reporting Period**”) of the Company and its subsidiaries (the “**Group**”).

The unaudited consolidated financial statements of the Group for the six months ended 30 June 2025 have been approved by the Board and reviewed by the audit committee of the Board (the “**Audit Committee**”).

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*for the six months ended 30 June 2025 — unaudited**(Expressed in Renminbi Yuan)*

		Six months ended 30 June	
		2025	2024
	<i>Note</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	3	3,086,325	3,134,976
Cost of sales		<u>(1,901,927)</u>	<u>(1,984,091)</u>
Gross profit		1,184,398	1,150,885
Other net income	4	82,472	67,606
Distribution costs		(14,372)	(12,776)
Administrative expenses		(354,097)	(307,462)
(Provision for)/reversal of impairment loss on trade receivables and contract assets		<u>(10,172)</u>	<u>5,991</u>
Profit from operations		888,229	904,244
Finance costs	5(a)	(334,276)	(353,785)
Share of profits of associates	8	<u>839,366</u>	<u>701,120</u>
Profit before taxation	5	1,393,319	1,251,579
Income tax	6	<u>(72,808)</u>	<u>(30,938)</u>
Profit for the period		<u>1,320,511</u>	<u>1,220,641</u>
Attributable to:			
— Equity shareholders of the Company		1,285,536	1,175,881
— Non-controlling interests		<u>34,975</u>	<u>44,760</u>
Profit for the period		<u>1,320,511</u>	<u>1,220,641</u>
Earnings per share	7		
— Basic and diluted (<i>RMB</i>)		<u>0.76</u>	<u>0.67</u>

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

*for the six months ended 30 June 2025 — unaudited
(Expressed in Renminbi Yuan)*

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Profit for the period	1,320,511	1,220,641
Other comprehensive income for the period (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	25,456	29,845
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive income of associates, net of tax	3,236	(8,534)
Exchange differences on translation of financial statements of overseas subsidiaries	9,578	560
Other comprehensive income for the period	38,270	21,871
Total comprehensive income for the period	1,358,781	1,242,512
Attributable to:		
Equity shareholders of the Company	1,323,806	1,197,752
Non-controlling interests	34,975	44,760
Total comprehensive income for the period	1,358,781	1,242,512

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2025 — unaudited

(Expressed in Renminbi Yuan)

		At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		8,113,549	7,960,761
Right-of-use assets		1,813,343	1,827,123
Intangible assets		20,268,690	20,298,783
Goodwill		187,104	187,104
Interests in associates	8	39,068,092	38,584,490
Contract assets	9	3,719,536	3,844,358
Non-current portion of trade and other receivables	10	1,406,059	1,540,209
Financial assets measured at fair value through profit and loss (“FVPL”)		165,000	165,000
Equity securities measured at fair value through other comprehensive income (“FVOCI”)		10,320	10,320
Deferred tax assets		91,792	92,503
		74,843,485	74,510,651
Current assets			
Financial assets measured at fair value through profit and loss (“FVPL”)		10,050	11,879
Inventories		348,220	273,341
Contract assets	9	1,217,998	1,058,405
Trade and other receivables	10	3,814,642	3,601,660
Income tax recoverable		10,366	39,436
Restricted bank deposits		79,588	61,090
Bank deposits with original maturity over three months		540,205	500,000
Cash and cash equivalents		2,534,737	2,269,721
		8,555,806	7,815,532

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

at 30 June 2025 — unaudited

(Expressed in Renminbi Yuan)

		At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Current liabilities			
Bank loans		1,696,292	1,798,378
Unsecured medium-term notes (“MTN”)		2,700,000	–
Trade and other payables	11	3,534,508	4,243,357
Contract liabilities		101,095	45,922
Lease liabilities		7,057	11,308
Dividends payable to equity shareholders of the Company	12	491,297	–
Income tax payables		142,164	152,448
		<u>8,672,413</u>	<u>6,251,413</u>
Net current (liabilities)/assets		<u>(116,607)</u>	<u>1,564,119</u>
Total assets less current liabilities		<u>74,726,878</u>	<u>76,074,770</u>
Non-current liabilities			
Bank loans		22,959,638	23,716,684
Unsecured medium-term notes (“MTN”)		1,300,000	2,700,000
Lease liabilities		20,112	19,464
Deferred income		210,063	215,548
Deferred tax liabilities		240,066	246,442
		<u>24,729,879</u>	<u>26,898,138</u>
Net assets		<u>49,996,999</u>	<u>49,176,632</u>
Capital and reserves			
Share capital		14,222	14,222
Reserves		48,531,389	47,698,880
Equity attributable to equity shareholders of the Company		<u>48,545,611</u>	<u>47,713,102</u>
Non-controlling interests		<u>1,451,388</u>	<u>1,463,530</u>
Total equity		<u>49,996,999</u>	<u>49,176,632</u>

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 BASIS OF PREPARATION

These unaudited consolidated financial statements of the Group have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, issued by the International Accounting Standards Board (“IASB”). It was authorised for issuance on 27 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The interim financial report has been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group at 30 June 2025. The directors of the Company are of the opinion that the Group is able to meet in full its financial obligations as they fall due for at least the next twelve months from 30 June 2025, considering the Group’s unused banking facilities of RMB15.3 billion as at 30 June 2025. Accordingly, the directors of the Company consider it is appropriate to prepare the interim financial report on a going concern basis.

The preparation of an interim financial report is in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with IFRS Accounting Standards.

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

2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the amendments to IAS 21, *The effects of changes in foreign exchange rates — Lack of exchangeability* issued by the IASB to this interim financial report for the current accounting period. The amendments do not have a material impact on this interim financial report as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

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 business and investments.

Disaggregation of revenue

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Disaggregated by major products or service lines:		
Waste incineration solutions		
— Construction services	274,043	602,635
— Operation services	2,003,709	1,851,284
Energy saving equipment	258,538	332,561
	<u>2,536,290</u>	<u>2,786,480</u>
Subtotal		
Port logistics services	90,280	88,624
Sale of new building materials	45,826	46,540
New energy business	310,318	106,400
	<u>2,982,714</u>	<u>3,028,044</u>
Total revenue from contracts with customers		
Finance income from service concession arrangements	103,611	106,932
	<u>3,086,325</u>	<u>3,134,976</u>

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

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Timing of revenue recognition		
— Over time	2,597,127	2,607,943
— Point in time	385,587	420,101
	<u>2,982,714</u>	<u>3,028,044</u>

(b) Segment reporting

- (i) 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 reportable segments.

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 six months ended 30 June 2025 and 2024 is set out below:

	Six months ended 30 June 2025 (Unaudited)							
	Waste- to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy business RMB'000	Investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Revenue from external customers	2,639,901	90,280	45,826	310,318	-	-	-	3,086,325
Inter-segment revenue	-	-	755	-	-	-	(755)	-
Reportable segment revenue	<u>2,639,901</u>	<u>90,280</u>	<u>46,581</u>	<u>310,318</u>	<u>-</u>	<u>-</u>	<u>(755)</u>	<u>3,086,325</u>
Reportable segment profit/(loss) before taxation	<u>617,568</u>	<u>42,015</u>	<u>(8,509)</u>	<u>(33,835)</u>	<u>839,366</u>	<u>(63,286)</u>	<u>-</u>	<u>1,393,319</u>
Interest income	11,226	27	461	1,346	-	3,194	-	16,254
Interest expenses	273,762	-	-	11,947	-	48,567	-	334,276
Depreciation and amortisation	544,423	16,164	8,888	31,290	-	2,402	-	603,167
Provision for loss allowance — trade receivables and contract assets	(9,036)	-	-	(1,136)	-	-	-	(10,172)
Reportable segment assets	37,339,483	374,762	1,456,594	3,536,888	39,068,092	7,788,175	(6,164,703)	83,399,291
Reportable segment liabilities	25,364,722	23,899	2,108,729	2,570,656	-	9,498,989	(6,164,703)	33,402,292

	Six months ended 30 June 2024 (Unaudited)							
	Waste- to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy business RMB'000	Investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Revenue from external customers	2,893,412	88,624	46,540	106,400	-	-	-	3,134,976
Inter-segment revenue	1,355	-	923	-	-	-	(2,278)	-
Reportable segment revenue	2,894,767	88,624	47,463	106,400	-	-	(2,278)	3,134,976
Reportable segment profit/(loss) before taxation	597,781	43,800	(13,213)	(3,133)	701,120	(74,776)	-	1,251,579
Interest income	16,531	100	160	50	-	8,513	-	25,354
Interest expenses	305,798	-	-	-	-	47,987	-	353,785
Depreciation and amortisation	486,346	20,019	8,572	7,768	-	3,072	-	525,777
Reversal of/(provision for) loss allowance — trade receivables and contract assets	6,525	-	-	(534)	-	-	-	5,991
	At 31 December 2024							
	Waste- to-energy projects RMB'000	Port logistics services RMB'000	New building materials RMB'000	New energy business RMB'000	Investments RMB'000	Unallocated RMB'000	Elimination RMB'000	Total RMB'000
Reportable segment assets	35,694,994	394,711	949,719	3,283,809	38,584,490	5,735,938	(2,317,478)	82,326,183
Reportable segment liabilities	24,211,955	26,272	1,573,257	2,303,820	-	7,351,725	(2,317,478)	33,149,551

(ii) 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 property, plant and equipment and right-of-use assets, the location of the operation to which they are allocated, in the case of intangible assets 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

	Six month ended 30 June	
	2025	2024
	RMB'000	RMB'000
Mainland China	2,967,183	2,981,304
Asia-Pacific (except Mainland China)	119,142	153,672
	<u>3,086,325</u>	<u>3,134,976</u>

Specified non-current assets

	30 June	31 December
	2025	2024
	RMB'000	RMB'000
Mainland China	74,182,361	73,843,983
Asia-Pacific (except Mainland China)	394,012	398,845
	<u>74,576,373</u>	<u>74,242,828</u>

4 OTHER NET INCOME

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Interest income on bank deposits and cash at bank	16,254	25,354
Government grants	48,948	34,258
Value-added tax refund	18,475	16,921
Net exchange gain	699	333
Net realised and unrealised losses on financial assets measured at FVPL	(1,155)	(9,403)
Others	(749)	143
	<u>82,472</u>	<u>67,606</u>

5 PROFIT BEFORE TAXATION

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

(a) Finance costs:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Interest on loans and borrowings	335,234	412,437
Interest on lease liabilities	638	848
Interest on MTN	52,899	40,316
	<u>388,771</u>	<u>453,601</u>
Total interest expense on financial liabilities not at fair value through profit or loss	388,771	453,601
Less: interest expense capitalised into construction in progress and intangible assets	(54,495)	(99,816)
	<u>334,276</u>	<u>353,785</u>

(b) Other items:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of owned property, plant and equipment	171,600	128,646
Depreciation of right-of-use assets	24,420	36,051
Amortisation of intangible assets	407,147	361,080
Research and development costs	21,015	22,516
Provision for/(reversal of) impairment loss on trade receivables and contract assets	10,172	(5,991)
	<u>10,172</u>	<u>(5,991)</u>

6 INCOME TAX

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
Current tax — Hong Kong Profits Tax		
Provision for the period	—	—
Current tax — PRC Income Tax		
Provision for the period	92,044	66,507
Over provision in respect of prior years	(13,091)	(31,195)
Deferred tax:		
Reversal of temporary differences, net	<u>(6,145)</u>	<u>(4,374)</u>
Income tax expense	<u>72,808</u>	<u>30,938</u>

- (a) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.
- (b) The provision for Hong Kong Profits Tax for 2025 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 2024. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.
- (c) 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.

- (d) 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 certain entities entitled to a preferential income tax rate of 15% as they are certified as "High and New Technology Enterprise" ("HNTTE"). According to Notice No. 24 issued by the State Administration of Taxation on 19 June 2017, if an entity is certified as an HNTTE, it is entitled to a preferential income tax rate of 15% during the certified period.

Pursuant to Notice No. 23 issued by the State Administration of Taxation on 23 April 2020 and relevant local tax authorities' notices, certain subsidiaries of the Group are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC during the six months ended 30 June 2025.

- (e) Pursuant to the PRC Enterprise Income Tax Law Implementing Regulations issued by State Council of the People's Republic of China, certain subsidiaries engaged in waste incineration 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.
- (f) In 2021, the Organisation for Economic Co-operation and Development published the Global Anti-Base Erosion Model Rules ("**Pillar Two model rules**") for a new global minimum tax reform applicable to large multinational enterprises. The Group has assessed its potential exposure based on the information available regarding the financial performance of the Group in the current year, and concluded there is no material financial impact of Pillar Two income taxes. However, several jurisdictions in which the Group operates, including Mainland China, have not yet enacted Pillar Two legislation.

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 of RMB1,285,536,000 for the six months ended 30 June 2025 (for the six months ended 30 June 2024: RMB1,175,881,000) and the weighted average number of ordinary shares in issue of 1,700,850,000 during the six months ended 30 June 2025 (during six months ended 30 June 2024: 1,742,664,000), as adjusted to reflect the effect of shares held by Conch Holdings through reciprocal shareholding.

(b) Diluted earnings per share

Diluted earnings per share for the six months ended 30 June 2025 and 2024 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

8 INTERESTS IN ASSOCIATES

As at 30 June 2025, interests in associates represented share of net assets of Anhui Conch Holdings Co., Ltd. ("**Conch Holdings**") and other associates that are not individually material. For the six months period ended 30 June 2025, the Group recognised share of profits of associates in the amount of RMB839,366,000 in profit or loss (six months ended 30 June 2024: RMB701,120,000).

9 CONTRACT ASSETS

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Non-current:		
Service concession assets (i)	3,723,865	3,848,832
Less: Impairment	<u>(4,329)</u>	<u>(4,474)</u>
	3,719,536	3,844,358
Current:		
Service concession assets (i)	45,882	47,913
Unbilled government on-grid tariff subsidy (ii)	1,025,576	854,032
Other contract assets (iii)	146,927	156,794
Less: Impairment	<u>(387)</u>	<u>(334)</u>
	<u>1,217,998</u>	<u>1,058,405</u>
	<u>4,937,534</u>	<u>4,902,763</u>
Contract assets arising from performance under construction contracts in connection with service concession arrangements, which are included in “Intangible assets”	<u>548,471</u>	<u>426,101</u>

- (i) The service concession assets bear interest at rates ranging from 6.01% to 9.41% (31 December 2024: 6.01% to 9.41%) per annum as at 30 June 2025 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 RMB70,159,000 (31 December 2024: RMB70,869,000) 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.

10 TRADE AND OTHER RECEIVABLES

	At 30 June 2025 RMB'000	At 31 December 2024 RMB'000
Trade receivables	2,997,007	2,724,988
Less: loss allowance for doubtful debts	<u>(145,365)</u>	<u>(135,101)</u>
	2,851,642	2,589,887
Bills receivable, carried at amortised cost	62,515	64,994
Bills receivable, measured at FVOCI	17,768	15,979
Deposits and prepayments	90,990	67,922
Other receivables	499,977	578,483
Interest receivables	<u>18,362</u>	<u>10,480</u>
Amounts due from third parties	3,541,254	3,327,745
Amounts due from related parties	<u>273,388</u>	<u>273,915</u>
Current portion of trade and other receivables	3,814,642	3,601,660
Non-current portion of trade and other receivables	<u>1,406,059</u>	<u>1,540,209</u>
Total current and non-current trade and other receivables	<u>5,220,701</u>	<u>5,141,869</u>

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

All of the amounts due from related parties are unsecured, non-interest bearing and repayable within one year.

Ageing analysis

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

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Current	1,991,524	1,545,226
Less than 1 year	410,530	595,722
1 to 2 years	334,147	331,602
Over 2 years past due	115,441	117,337
	<u>2,851,642</u>	<u>2,589,887</u>

11 TRADE AND OTHER PAYABLES

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Trade payables	2,092,306	2,656,932
Bills payable	134,075	191,979
	2,226,381	2,848,911
Other payables and accruals	1,182,452	1,229,406
Amounts due to third parties	3,408,833	4,078,317
Dividends payable to the then-shareholders of the acquired subsidiaries	8,464	8,464
Dividends payable to non-controlling interests	8,119	17,979
Amounts due to related parties	109,092	138,597
Total trade and other payables	<u>3,534,508</u>	<u>4,243,357</u>

An ageing analysis of trade and bills payables of the Group, based on the invoice date, is as follows:

	At 30 June 2025 <i>RMB'000</i>	At 31 December 2024 <i>RMB'000</i>
Within 1 year	1,921,895	2,763,528
1 year to 2 years	270,370	61,207
2 years to 3 years	13,074	22,255
Over 3 years but within 5 years	21,042	1,921
	<u>2,226,381</u>	<u>2,848,911</u>

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

12 DIVIDENDS

(i) Dividends payable to equity shareholders attributable to the interim period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Interim dividend declared and paid after the interim period of HKD0.10 per share (2024: nil)	<u>163,613</u>	<u>–</u>

The interim dividend has not been recognised as a liability at the end of the reporting period.

(ii) Dividend payable to equity shareholders attributable to the previous financial year, approved during the interim period:

	Six months ended 30 June	
	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Final dividend in respect of the previous financial year, approved during the interim period, of HKD0.30 per share (six months ended 30 June 2024: HKD0.20 per share)	<i>(i)</i> <u>491,297</u>	<u>327,265</u>

(i) Pursuant to a resolution passed at the annual general meeting on 25 June 2025, a final dividend of HKD0.30 per share totaling HKD537,612,000 (equivalent to approximately RMB491,297,000) was approved (2024: HKD358,408,000 (equivalent to approximately RMB327,265,000)), which was paid in July 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

MACRO ENVIRONMENT

In the first half of 2025, China's GDP grew by 5.3% period-to-period, reflecting the steady operation of the national economy and demonstrating its strong resilience and vitality. At present, China is accelerating the green and low-carbon transformation of its economy and society. The green economy has become a key driver of national economic growth and a critical force in achieving high-quality development. As a large-scale enterprise group providing energy-saving and environmental protection solutions, the Group is deeply committed in its environmental protection core business, focused on industrial quality enhancement and upgrading, actively explored new pathways for circular economy, contributed to the national drive for ecological civilisation and safeguarding the development of social well-being, and practised the concept of green and sustainable development with solid actions.

During the Reporting Period, the Group achieved operating revenue of RMB3.086 billion, representing a period-on-period decrease of 1.55%. The net profit attributable to equity shareholders of the Group amounted to RMB1.286 billion, representing a period-on-period increase of 9.33%. The net profit of our principal activities attributable to equity shareholders of the Group (excluding share of profits of associates) amounted to RMB0.446 billion, representing a period-on-period decrease of 6.02%.

BUSINESS REVIEW

In the first half of 2025, under the robust leadership of the Board, the Group continued to uphold the general working principle of “focusing on principal activities, tapping potential and improving quality and efficiency”, and adhered to the business strategy of enhancing the quality and efficiency of its principal activities of environmental protection while driving synergistic value creation across multiple business segments. The municipal waste treatment business delivered notable results, achieving growth in both waste intake volume and on-grid electricity generation. Various business operations enhanced overall efficiency, and the Group's industry influence continued to expand; the new energy materials business made great endeavor to implement solid measures for cost reduction and efficiency enhancement through internal optimisation, improving capacity utilisation significantly; the recycling and reusing business of lithium battery resources optimised its technologies and techniques through industry research and development; the port logistics business secured core cargo sources and recorded a notable rebound in throughput volume. The Group has made steady and stable progress in its principal activities, laying a solid foundation for the realisation of the full-year business objectives.

As at the end of the Reporting Period, the Group promoted and signed contracts for a total of 130 projects in 23 provinces, cities and autonomous regions in China, including 100 projects for grate furnace power generation, 2 projects for fly ash treatment, 2 projects for standalone kitchen waste treatment, 9 projects for waste treatment by cement kilns, 1 project for waste transfer, 2 projects for new energy, 11 projects for lithium battery recycling and other comprehensive utilisation, 2 projects for new building materials, and 1 project for port logistics.

Municipal Waste Treatment

1. Grate Furnace Power Generation

During the Reporting Period, the Group endeavored to enhance the operational efficiency of its projects by implementing professional and refined management and encouraging project companies to expand sources of waste and enhance the electricity generation level of waste-to-energy projects and the on-grid electricity, so as to ensure high-quality operation. The Group also seeks to enhance its operating efficiency through the development of various business operations. As at the end of the Reporting Period, the Group has operated 87 projects, which included 23 projects involving the business of external sales of steam; 35 projects involving the business of collaborative disposal of sludge, wine lees and so forth; and 27 projects involving the business of treatment of effluent such as external leachate. At the same time, the Group has been active in promoting price increase of waste disposal fees and furnace slag, and has completed the price adjustment for waste disposal fees in 2 projects and price increase for furnace slag in 6 projects, which have laid a foundation for the promotion of price increase in the future.

During the Reporting Period, for the grate furnace power generation segment, the Group received a total of approximately 9.325 million tonnes of municipal waste, representing a period-on-period increase of 3%; approximately 8.021 million tonnes of municipal waste were treated, representing a period-on-period increase of 3%; on-grid electricity was approximately 2,690 million kWh, representing a period-on-period increase of 6%; the average on-grid electricity per tonne was approximately 336 kWh, representing a period-on-period increase of 10 kWh/tonne; and steam sold amounted to approximately 313,000 tonnes, representing a period-on-period increase of 170%. Approximately 402,000 green electricity certificates (the “**Green Electricity Certificate(s)**”) were sold.

As at the end of the Reporting Period, details of the Group's grate furnace power generation projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date	Whether it is included in the national financial subsidy list
1	In operation	Jinzhai, Anhui Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2016	Phases I and II have been on list
2		Tongren, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	July 2017	On list
3		Yanshan, Yunnan Province (Phase 1)	110,000 tonnes/year (300 tonnes/day)	August 2017	On list
4		Huoqiu, Anhui Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2018	Phases I and II have been on list
5		Li County, Hunan Province	2×140,000 tonnes/year (2×400 tonnes/day)	April 2018	On list
6		Songming, Yunnan Province	290,000 tonnes/year (800 tonnes/day)	January 2019	On list
7		Shanggao, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	February 2019	On list
8		Yiyang, Jiangxi Province	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019	On list
9		Shache, Xinjiang Region	2×110,000 tonnes/year (2×300 tonnes/day)	June 2019	On list
10		Sishui, Shandong Province	140,000 tonnes/year (400 tonnes/day)	June 2019	On list
11		Bole, Xinjiang Region	110,000 tonnes/year (300 tonnes/day)	July 2019	On list
12		Yang County, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	October 2019	On list
13		Baoshan, Yunnan Province	2×140,000 tonnes/year (2×400 tonnes/day)	January 2020	On list
14		Fuquan, Guizhou Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2020	Application in progress
15		Lujiang, Anhui Province	2×180,000 tonnes/year (2×500 tonnes/day)	January 2020	Phase 1 has been on list
16		Xianyang, Shaanxi Province	2×270,000 tonnes/year (2×750 tonnes/day)	July 2020	On list
17		Xishui, Guizhou Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	July 2020	On list
18		Shizhu, Chongqing City	110,000 tonnes/year (300 tonnes/day)	August 2020	On list

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date	Whether it is included in the national financial subsidy list
19	In operation	Huoshan, Anhui Province	140,000 tonnes/year (400 tonnes/day)	August 2020	On list
20		Tengchong, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	November 2020	On list
21		Ningguo, Anhui Province	140,000 tonnes/year (400 tonnes/day)	November 2020	Application in progress
22		Luxi, Yunnan Province	2×110,000 tonnes/year (2×300 tonnes/day)	January 2021	Application in progress
23		Mangshi, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	March 2021	Application in progress
24		Luoping, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	March 2021	Application in progress
25		Dexing, Jiangxi Province	140,000 tonnes/year (400 tonnes/day)	November 2020	Application in progress
26		Zongyang, Anhui Province (Phase 1)	140,000 tonnes/year (400 tonnes/day)	April 2021	Application in progress
27		Shahe, Hebei Province (Phase 1)	2×180,000 tonnes/year (2×500 tonnes/day)	April 2021	Application in progress
28		Shimen, Hunan Province	180,000 tonnes/year (500 tonnes/day)	May 2021	Application in progress
29		Jiuquan, Gansu Province	180,000 tonnes/year (500 tonnes/day)	June 2021	Application in progress
30		Manzhouli, Inner Mongolia Region	140,000 tonnes/year (400 tonnes/day)	June 2021	Application in progress
31		Hanshou, Hunan Province	140,000 tonnes/year (400 tonnes/day)	June 2021	Application in progress
32		Suiyang, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	June 2021	Application in progress
33		Panshi, Jilin Province	140,000 tonnes/year (400 tonnes/day)	July 2021	Application in progress
34		Pingguo, Guangxi Region	2×140,000 tonnes/year (2×400 tonnes/day)	July 2021	Application in progress
35		Tongchuan, Shaanxi Province	180,000 tonnes/year (500 tonnes/day)	August 2021	Application in progress

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date	Whether it is included in the national financial subsidy list
36	In operation	Zhenxiong, Yunnan Province (Phase 1)	180,000 tonnes/year (500 tonnes/day)	September 2021	Application in progress
37		Shuangfeng, Hunan Province	180,000 tonnes/year (500 tonnes/day)	October 2021	Application in progress
38		Hejin, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	October 2021	Application in progress
39		Pingliang, Gansu Province	180,000 tonnes/year (500 tonnes/day)	November 2021	Application in progress
40		Binzhou, Shaanxi Province	110,000 tonnes/year (300 tonnes/day)	November 2021	Application in progress
41		Tongzi, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	November 2021	Application in progress
42		Wuwei, Anhui Province	180,000 tonnes/year (500 tonnes/day)	December 2021	Application in progress
43		Fugou, Henan Province	220,000 tonnes/year (600 tonnes/day)	April 2022	Application in progress
44		Du'an, Guangxi Region	140,000 tonnes/year (400 tonnes/day)	June 2022	Application in progress
45		Luzhai, Guangxi Region	140,000 tonnes/year (400 tonnes/day)	June 2022	Application in progress
46		Suzhou, Anhui Province	180,000 tonnes/year (500 tonnes/day)	August 2022	Application in progress
47		Longkou, Shandong Province	220,000 tonnes/year (600 tonnes/day)	August 2022	Application in progress
48		Zhangjiakou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	September 2022	Application in progress
49		Fengning, Hebei Province	110,000 tonnes/year (300 tonnes/day)	October 2022	Application in progress
50		He County, Anhui Province	220,000 tonnes/year (600 tonnes/day)	October 2022	Application in progress
51		Naiman Banner, Inner Mongolia Region	110,000 tonnes/year (300 tonnes/day)	November 2022	Application in progress
52		Weichang, Hebei Province	110,000 tonnes/year (300 tonnes/day)	February 2023	Application in progress
53		Shucheng, Anhui Province	140,000 tonnes/year (400 tonnes/day)	March 2023	Application in progress

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date	Whether it is included in the national financial subsidy list
54	In operation	Shulan, Jilin Province	140,000 tonnes/year (400 tonnes/day)	April 2023	Application in progress
55		Xichou, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	June 2023	Application in progress
56		Taonan, Jilin Province	140,000 tonnes/year (400 tonnes/day)	June 2023	Application in progress
57		Meitan, Guizhou Province	140,000 tonnes/year (400 tonnes/day)	July 2023	/
58		Jinning, Yunnan Province	140,000 tonnes/year (400 tonnes/day)	July 2023	/
59		Danjiangkou, Hubei Province	110,000 tonnes/year (300 tonnes/day)	September 2023	/
60		Bac Ninh, Vietnam	110,000 tonnes/year (300 tonnes/day)	November 2023	/
61		Liangping, Chongqing City	140,000 tonnes/year (400 tonnes/day)	January 2024	/
62		Qingzhen, Guizhou Province	180,000 tonnes/year (500 tonnes/day)	January 2024	/
63		Qiyang, Hunan Province	180,000 tonnes/year (500 tonnes/day)	January 2024	/
64		Dongzhi, Anhui Province	140,000 tonnes/year (400 tonnes/day)	February 2024	/
65		Tai'an, Liaoning Province	110,000 tonnes/year (300 tonnes/day)	July 2024	/
66		Lufeng, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	July 2024	/
67		Haidong, Qinghai Province	180,000 tonnes/year (500 tonnes/day)	August 2024	/
68		Gengma, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	August 2024	/
69		Wushan, Chongqing City	130,000 tonnes/year (350 tonnes/day)	September 2024	/
70		Jianshui, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	September 2024	/

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date	Whether it is included in the national financial subsidy list
71	In operation	Zhuanglang, Gansu Province	140,000 tonnes/year (400 tonnes/day)	November 2024	/
72		Huayin, Shaanxi Province	140,000 tonnes/year (400 tonnes/day)	November 2024	/
73		Yongde, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	November 2024	/
74		Jingshan, Hubei	130,000 tonnes/year (350 tonnes/day)	April 2025	/
75	In operation (Acquired items)	Luanzhou, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021	Application in progress
76		Guantao, Hebei Province	180,000 tonnes/year (500 tonnes/day)	January 2021	Application in progress
77		Guan County, Shandong Province	220,000 tonnes/year (600 tonnes/day)	March 2020	On list
78		Chiping, Shandong Province	220,000 tonnes/year (600 tonnes/day)	June 2018	On list
79		Jinxiang, Shandong Province	290,000 tonnes/year (800 tonnes/day)	October 2019	On list
80		Chenzhou, Hunan Province	450,000 tonnes/year (1,250 tonnes/day)	July 2015	Phases I and II have been on list
81		Baotou, Inner Mongolia Region	490,000 tonnes/year (1,350 tonnes/day)	December 2012	On list
82		Hohhot, Inner Mongolia Region	630,000 tonnes/year (1,750 tonnes/day)	November 2017	On list
83		Jilin, Jilin Province	540,000 tonnes/year (1,500 tonnes/day)	January 2009	On list
84		Bijie, Guizhou Province	290,000 tonnes/year (800 tonnes/day)	April 2021	Application in progress
85		Jingdezhen, Jiangxi Province	540,000 tonnes/year (1,500 tonnes/day)	November 2016	On list
86		Liaocheng, Shandong Province	360,000 tonnes/year (1,000 tonnes/day)	December 2012	On list
87		Gaotang, Shandong Province	220,000 tonnes/year (600 tonnes/day)	May 2020	On list
Sub-total:			17,420,000 tonnes/year (48,450 tonnes/day)		

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
88	Under construction	Yuanyang, Yunnan Province	110,000 tonnes/year (300 tonnes/day)	August 2025
89		Nandan, Guangxi Region	110,000 tonnes/year (300 tonnes/day)	February 2026
90		Yun County, Yunnan Province	180,000 tonnes/year (500 tonnes/day)	February 2026
Sub-total:			400,000 tonnes/year (1,100 tonnes/day)	
No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
91	Under approval and planning	Susong, Anhui Province	140,000 tonnes/year (400 tonnes/day)	/
92		Hunyuan, Shanxi Province	180,000 tonnes/year (500 tonnes/day)	/
93		Daguan, Yunnan Province	140,000 tonnes/year (400 tonnes/day)	/
Sub-total:			460,000 tonnes/year (1,300 tonnes/day)	
94	Reserve project	Yan Shan, Yunnan Province (Phase 2)	110,000 tonnes/year (300 tonnes/day)	/
95		Zhenxiong, Yunnan Province (Phase 2)	180,000 tonnes/year (500 tonnes/day)	/
96		Xishui, Guizhou Province (Phase 2)	140,000 tonnes/year (400 tonnes/day)	/
97		Zongyang, Anhui Province (Phase 2)	140,000 tonnes/year (400 tonnes/day)	/
98		Shahe, Hebei Province (Phase 2)	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)	/
Sub-total:			1,470,000 tonnes/year (4,100 tonnes/day)	
Total:			19,750,000 tonnes/year (54,950 tonnes/day)	

Note: Annual treatment capacity of the project = Daily treatment capacity of the project multiplied by 360 days

As at the end of the Reporting Period, a total of 32 of the Group's grate furnace power generation projects were included in the list of national subsidised renewable energy power generation projects.

2. *Kitchen Waste Treatment*

As at the end of the Reporting Period, the Group had 20 kitchen waste treatment projects in operation, of which the projects in Wuhu, Anhui Province and Lingbi, Anhui Province are run by independently operated project companies, and had 1 kitchen waste treatment project under construction, with a total treatment capacity of approximately 468,000 tonnes/year (approximately 1,225 tonnes/day). During the Reporting Period, the Group received and disposed of a total of 113,000 tonnes of kitchen waste, representing a period-to-period increase of 26%, and sold approximately 2,001 tonnes of grease, representing a period-to-period increase of 36%.

As at the end of the Reporting Period, 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	Suzhou, Anhui Province	70,000 tonnes/year (200 tonnes/day)
2		Wuhu, Anhui Province	70,000 tonnes/year (200 tonnes/day)
3		Lingbi, Anhui Province	40,000 tonnes/year (100 tonnes/day)
4		Liangping, Chongqing City	40,000 tonnes/year (100 tonnes/day)
5		Pingliang, Gansu Province	20,000 tonnes/year (50 tonnes/day)
6		Songming, Yunnan Province	20,000 tonnes/year (50 tonnes/day)
7		Qiyang, Hunan Province	20,000 tonnes/year (50 tonnes/day)
8		Pingguo, Guangxi Region	20,000 tonnes/year (50 tonnes/day)
9		Hejin, Shanxi Province	20,000 tonnes/year (45 tonnes/day)
10		Jinzhai, Anhui Province	20,000 tonnes/year (45 tonnes/day)
11		Shanggao, Jiangxi Province	20,000 tonnes/year (45 tonnes/day)
12		Shucheng, Anhui Province	20,000 tonnes/year (45 tonnes/day)
13		Weining, Guizhou Province	20,000 tonnes/year (45 tonnes/day)
14		Longkou, Shandong Province	10,000 tonnes/year (30 tonnes/day)
15		Fugou, Henan Province	10,000 tonnes/year (30 tonnes/day)
16		Dexing, Jiangxi Province	10,000 tonnes/year (30 tonnes/day)
17		Jinning, Yunnan Province	10,000 tonnes/year (30 tonnes/day)
18		Fengning, Hebei Province	7,000 tonnes/year (20 tonnes/day)
19		Weichang, Hebei Province	7,000 tonnes/year (20 tonnes/day)
20		Manzhouli, Inner Mongolia	7,000 tonnes/year (20 tonnes/day)
Sub-total:			461,000 tonnes/year (1,205 tonnes/day)
No.	Status of Construction	Project Location	Treatment Capacity
21	Under construction	Naiman Banner, Inner Mongolia	7,000 tonnes/year (20 tonnes/day)
Sub-total:			7,000 tonnes/year (20 tonnes/day)
Total:			468,000 tonnes/year (1,225 tonnes/day)

3. Waste Treatment by Cement Kilns

As at the end of the Reporting Period, 9 projects of waste treatment by cement kilns were completed, with a treatment capacity of approximately 640,000 tonnes/year (approximately 1,900 tonnes/day), a total of approximately 140,000 tonnes of municipal waste were received, and a total of approximately 115,000 tonnes of municipal waste were treated.

As at the end of the Reporting Period, details of the Group's waste treatment by cement kilns projects are set out in the following table:

No.	Project Location	Treatment Capacity
1	Qingzhen, Guizhou Province	100,000 tonnes/year (300 tonnes/day)
2	Yangchun, Guangdong Province	70,000 tonnes/year (200 tonnes/day)
3	Fusui, Guangxi Region	70,000 tonnes/year (200 tonnes/day)
4	Nanjiang, Sichuan Province	70,000 tonnes/year (200 tonnes/day)
5	Lingyun, Guangxi Region	30,000 tonnes/year (100 tonnes/day)
6	Xing'an, Guangxi Region	100,000 tonnes/year (300 tonnes/day)
7	Yingjiang, Yunnan Province	70,000 tonnes/year (200 tonnes/day)
8	Linxia, Gansu Province	100,000 tonnes/year (300 tonnes/day)
9	Yuping, Guizhou Province	30,000 tonnes/year (100 tonnes/day)
Total		640,000 tonnes/year (1,900 tonnes/day)

As at the end of the Reporting Period, the Group had a municipal waste treatment capacity of approximately 20.858 million tonnes/year (approximately 58,075 tonnes/day), including approximately 18.521 million tonnes/year (approximately 51,555 tonnes/day) completed and approximately 2.337 million tonnes/year (approximately 6,520 tonnes/day) under construction, under approval and pending construction and reserve.

New Energy Business

During the Reporting Period, the Group continued to monitor the development trends of new energy industry, adhered to the strategy of “formulating production plans based on sales volume”, strengthened market construction of lithium iron phosphate cathode materials projects, achieved initial results of the research and development and certification of new products, and the production capacity utilisation rate reached a new high. Meanwhile, the Group steadily advanced the construction of its anode materials projects and actively expanded the supply and sales markets. The Group continuously optimised the technologies and techniques of lithium battery recycling comprehensive utilisation projects. The Group secured a new project in Li County, Hunan Province, with a total contracted treatment capacity of approximately 240,000 tonnes/year.

As at the end of the Reporting Period, details of the Group’s lithium battery recycling comprehensive utilisation projects are set out in the following table:

No.	Status of Construction	Project Location	Treatment Capacity	Completion Date
1	In operation	Wuhu, Anhui Province	15,000 tonnes/year	December 2024
Sub-total:			15,000 tonnes/year	
No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
2	Under approval and pending construction	Huaibei, Anhui Province	15,000 tonnes/year	/
3		Shijiazhuang, Hebei Province	30,000 tonnes/year	/
4		Dengfeng, Henan Province	15,000 tonnes/year	/
5		Tongchuan, Shaanxi Province (Phase I)	15,000 tonnes/year	/
6		Jingmen, Hubei Province (Phase I)	15,000 tonnes/year	/
7		Li County, Hunan Province	10,000 tonnes/year	/
Sub-total:			100,000 tonnes/year	

No.	Status of Construction	Project Location	Treatment Capacity	Expected Completion Date
8	Reserve project	Zaozhuang, Shandong Province	30,000 tonnes/year	/
9		Zhuzhou, Hunan Province	15,000 tonnes/year	/
10		Tongchuan, Shaanxi Province (Phase II)	15,000 tonnes/year	/
11		Jingmen, Hubei Province (Phase II)	35,000 tonnes/year	/
12		Changshan, Zhejiang Province	30,000 tonnes/year	/
Sub-total:			125,000 tonnes/year	
Total:			240,000 tonnes/year	

During the Reporting Period, the Group manufactured 22,000 tonnes of cathode materials under its new energy business, with a revenue of RMB310.32 million.

New Building Materials and Port Logistics

The Group's new building materials business has always been guided by market demand. The Group actively optimised process transformation, enriched product categories, and enhanced product added value. Meanwhile, the Group strengthened cost control, leveraged product competitive advantages, and strived to increase market share.

During the Reporting Period, the Group recorded new building materials product sales of approximately 3.80 million square metres, with an operating revenue of RMB45.83 million.

The Group upgraded the functions of the port services to ensure core freight sources in its port logistics business. It actively expanded foreign trade cargo sources and optimised the customer structure. It strengthened scheduling and coordination to improve operational efficiency and increase throughput.

During the Reporting Period, the port logistics business achieved a throughput of approximately 17.29 million tonnes, with an operating revenue of RMB90.28 million.

FINANCIAL PROFITABILITY

Item	January – June 2025 Amount (RMB'000)	January – June 2024 Amount (RMB'000)	Changes between the Reporting Period and the corresponding period of the previous year (%)
Revenue	3,086,325	3,134,976	-1.55
Profit before taxation	1,393,319	1,251,579	11.32
Share of profits of associates	839,366	701,120	19.72
Profit before taxation from principal businesses	553,953	550,459	0.63
Net profit attributable to equity shareholders of the Company	1,285,536	1,175,881	9.33
Net profit from principal businesses attributable to equity shareholders of the Company	446,170	474,761	-6.02

During the Reporting Period, the Group achieved revenue of RMB3,086.33 million, representing a period-on-period decrease of 1.55%, mainly due to the decrease in projects under construction by the Group. Profit before taxation amounted to RMB1,393.32 million, representing a period-on-period increase of 11.32%, mainly due to the increase in share of profits of associates such as Conch Holdings. Share of profits of associates amounted to RMB839.37 million, representing a period-on-period increase of 19.72%. Profit before taxation from principal businesses amounted to RMB553.95 million, representing a period-on-period increase of 0.63%. Net profit attributable to equity shareholders of the Company amounted to RMB1,285.54 million, representing a period-on-period increase of 9.33%, among which, net profit from principal businesses attributable to equity shareholders amounted to RMB446.17 million, representing a period-on-period decrease of 6.02%. Basic earnings per share amounted to RMB0.76.

Revenue by business stream

Item	January – June 2025		January – June 2024		Change in amount (%)	Change in percentage (percentage points)
	Amount	Percentage	Amount	Percentage		
	(RMB'000)	(%)	(RMB'000)	(%)		
Waste incineration solutions	2,381,363	77.16	2,560,851	81.69	-7.01	-4.53
Energy-saving equipment	258,538	8.38	332,561	10.61	-22.26	-2.23
New building materials	45,826	1.48	46,540	1.48	-1.53	–
New energy business	310,318	10.05	106,400	3.39	191.65	6.66
Port logistics	90,280	2.93	88,624	2.83	1.87	0.10
Total	3,086,325	100.00	3,134,976	100.00	-1.55	–

During the Reporting Period, as affected by the decrease in the Group's waste incineration projects under construction and overseas orders of energy-saving equipment, revenue of the Group decreased. With a breakdown by business:

- (i) The revenue from waste incineration solutions amounted to RMB2,381.36 million, representing a period-on-period decrease of 7.01%, which was mainly due to the reduction in projects under construction by the Group, resulting in a period-on-period decrease in revenue during the construction period.
- (ii) The revenue from energy-saving equipment amounted to RMB258.54 million, representing a period-on-period decrease of 22.26%, which was mainly due to the decrease in orders of energy-saving equipment.
- (iii) The revenue from new building materials amounted to RMB45.83 million, representing a period-on-period decrease of 1.53%, which was mainly due to the decrease in sales prices as a result of market influence.
- (iv) The revenue from new energy business amounted to RMB310.32 million, representing a period-on-period increase of 191.65%, which was mainly due to the Group's active exploration of the market, leading to a rapid revenue growth.
- (v) The revenue from port logistics amounted to RMB90.28 million, representing a period-on-period increase of 1.87%, mainly due to the active expansion of cargo sources, leading to an increase in throughput and revenue growth.

Breakdown of revenue from waste incineration solutions

Revenue Breakdown	January – June 2025		January – June 2024		Change in amount (%)	Change in percentage (percentage points)
	Amount	Percentage	Amount	Percentage		
	(RMB'000)	(%)	(RMB'000)	(%)		
Operation revenue	2,107,320	88.49	1,958,216	76.47	7.61	12.02
Grate furnace power generation	2,087,551	87.66	1,936,910	75.64	7.78	12.02
Waste treatment by cement kilns	19,769	0.83	21,306	0.83	-7.21	–
Construction revenue	274,043	11.51	602,635	23.53	-54.53	-12.02
Grate furnace power generation	274,043	11.51	602,635	23.53	-54.53	-12.02
Total	2,381,363	100.00	2,560,851	100.00	-7.01	–

During the Reporting Period, the operation revenue from waste incineration solutions segment amounted to RMB2,107.32 million, representing a period-on-period increase of 7.61%, which was mainly due to the period-on-period increase in the Group's waste intake and on-grid electricity generation, which contributed to revenue growth. The revenue from waste incineration solutions segment during the construction period amounted to RMB274.04 million, representing a period-on-period decrease of 54.53%, which was mainly due to the decrease in the number of projects under construction.

Revenue by geographical locations

Item	January – June 2025		January – June 2024		Change in amount (%)	Change in percentage (percentage points)
	Amount	Percentage	Amount	Percentage		
	(RMB'000)	%	(RMB'000)	%		
Mainland China	2,967,183	96.14	2,981,304	95.10	-0.47	1.04
Asia (except Mainland China)	119,142	3.86	153,672	4.90	-22.47	-1.04
Total	3,086,325	100.00	3,134,976	100.00	-1.55	-

During the Reporting Period, the Group's revenue derived from the Mainland China market recorded a period-on-period decrease of 0.47%. The revenue derived from Asia (except Mainland China) market amounted to RMB119.14 million, representing a period-on-period decrease of 22.47%, which was mainly due to the decrease in the number of the Group's overseas orders for energy-saving equipment.

Gross profit and gross profit margin

Item	January – June 2025		January – June 2024		Change in amount (%)	Change in gross profit margin (percentage points)
	Gross profit	Gross profit margin	Gross profit	Gross profit margin		
	(RMB'000)	(%)	(RMB'000)	(%)		
Waste incineration solutions	1,040,784	43.71	983,192	38.39	5.86	5.32
Energy-saving equipment	83,923	32.46	99,887	30.04	-15.98	2.42
New building materials	4,753	10.37	3,021	6.49	57.33	3.88
New energy business	2,410	0.78	11,219	10.54	-78.52	-9.76
Port logistics	52,528	58.18	53,566	60.44	-1.94	-2.26
Total	1,184,398	38.38	1,150,885	36.71	2.91	1.67

During the Reporting Period, the gross profit margin of the Group was 38.38%, representing a period-on-period increase of 1.67 percentage points. With a breakdown by business:

- (i) The gross profit margin for waste incineration solutions was 43.71%, representing a period-on-period increase of 5.32 percentage points. This was mainly due to the Group's implementation of various measures to improve quality and efficiency, as well as an increase in the number of operating projects, which contributed to the overall increase in gross profit margin.
- (ii) The gross profit margin for energy-saving equipment was 32.46%, representing a period-on-period increase of 2.42 percentage points, which was mainly due to the Group's active pursuit of high-quality orders for energy-saving equipment, which led to an increase in the gross profit margin.
- (iii) The gross profit margin for new building materials was 10.37%, representing a period-on-period increase of 3.88 percentage points, mainly due to the Group's active implementation of technical transformation and efficiency improvement measures, which reduced unit costs and led to an increase in gross profit margin.
- (iv) The gross profit margin for new energy business was 0.78%, representing a period-on-period decrease of 9.76 percentage points, mainly due to the decline in product prices due to fierce market competition, resulting in a decrease in the gross profit margin.
- (v) The gross profit margin for port logistics was 58.18%, representing a period-on-period decrease of 2.26 percentage points, mainly due to the decline in loading and unloading unit prices as a result of the impact of market competition, leading to lower gross profit margin.

Other net income

During the Reporting Period, the Group's other net income amounted to RMB82.47 million, representing a period-on-period increase of RMB14.87 million, or 21.99%, which was mainly because of the period-on-period increase in the government grants received by the Group.

Administrative expenses

During the Reporting Period, the Group's administrative expenses amounted to RMB354.10 million, representing a period-on-period increase of RMB46.64 million, or 15.17%, which was mainly due to the increase in employee compensation and tax surcharges resulting from the increase in operating companies.

Finance costs

During the Reporting Period, the Group's finance costs amounted to RMB334.28 million, representing a period-on-period decrease of RMB19.51 million, or 5.51%, which was mainly due to the decrease in finance costs as a result of the decrease in the composite interest rate of interest-bearing liabilities of the Group.

FINANCIAL POSITION

As at 30 June 2025, the Group's total assets amounted to RMB83,399.29 million, representing an increase of RMB1,073.11 million as compared to the end of the previous year. The equity attributable to equity shareholders of the Company amounted to RMB48,545.61 million, representing an increase of RMB832.51 million as compared to the end of the previous year. Gearing ratio of the Group (total liabilities/total assets) was 40.05%, representing a decrease of 0.22 percentage point as compared to the end of the previous year. The balance sheet items of the Group are as follows:

Item	As at 30 June 2025 (RMB'000)	As at 31 December 2024 (RMB'000)	Change between the end of the Reporting Period and the end of the previous year (%)
Property, plant and equipment	8,113,549	7,960,761	1.92
Non-current assets	74,843,485	74,510,651	0.45
Non-current liabilities	24,729,879	26,898,138	-8.06
Current assets	8,555,806	7,815,532	9.47
Current liabilities	8,672,413	6,251,413	38.73
Net current (liabilities)/assets	-116,607	1,564,119	–
Equity attributable to equity shareholders of the Company	48,545,611	47,713,102	1.74
Total assets	83,399,291	82,326,183	1.30
Total liabilities	33,402,292	33,149,551	0.76

Non-current assets and non-current liabilities

As at 30 June 2025, non-current assets of the Group amounted to RMB74,843.49 million, representing an increase of 0.45% as compared to the end of the previous year, which was mainly due to the additions of property, plant and equipment and intangible assets; non-current liabilities amounted to RMB24,729.88 million, representing a decrease of 8.06% as compared to the end of the previous year, which was mainly due to the combined effect of the decrease in bank borrowings and the classification of RMB2.7 billion of green medium-term notes to current liabilities within one year during the Reporting Period.

Current assets and current liabilities

As at 30 June 2025, current assets of the Group amounted to RMB8,555.81 million, current liabilities amounted to RMB8,672.41 million, and net current liabilities amounted to RMB116.61 million, representing a decrease of RMB1,680.73 million as compared to the end of the previous year, which was mainly due to the impact of RMB2.7 billion of green medium-term notes being reclassified to current liabilities.

Equity attributable to equity shareholders of the Company

As at 30 June 2025, the equity attributable to equity shareholders of the Company amounted to RMB48,545.61 million, representing an increase of 1.74% as compared to the end of the previous year, which was mainly due to the continued profitability of the Group.

LIQUIDITY AND CAPITAL SOURCES

During the Reporting Period, by taking the advantage of its capital size to the utmost, the Group enhanced capital planning and management, optimised the financing structure, broadened its borrowing channels. By issuing green medium-term notes of RMB1.3 billion, it reduced the loan interest rate, and rationally arranged loans for projects, so as to satisfy the Company's capital needs. As at 30 June 2025, the Group's cash and cash equivalents amounted to RMB2,534.74 million, which were mainly denominated in RMB, Hong Kong dollars and US dollars.

Bank loans

Item	As at 30 June 2025 (RMB'000)	As at 31 December 2024 (RMB'000)
Due within one year	1,696,292	1,798,378
Due after one year but within two years	2,147,994	2,092,128
Due after two years but within five years	6,812,406	7,112,740
Due after five years	13,999,238	14,511,816
Total	<u>24,655,930</u>	<u>25,515,062</u>

As at 30 June 2025, the balance of bank loans of the Group amounted to RMB24,655.93 million, representing a decrease of RMB859.13 million as compared to the end of the previous year, which was mainly due to the issuance of green medium-term notes of RMB1.3 billion by the Company for the repayment of certain bank loans. As at 30 June 2025, the Group's bank loans were denominated in RMB and US dollars, and most of the loan interests were subject to variable interest rate.

Cash flows

Item	January – June 2025 (RMB'000)	January – June 2024 (RMB'000)
Net cash generated from operating activities	914,849	938,672
Net cash used in investing activities	-548,702	-1,306,090
Net cash (used in)/generated from financing activities	-103,888	435,860
Net increase in cash and cash equivalents	262,259	68,442
Effect of foreign exchange rate changes	2,757	452
Cash and cash equivalents at the beginning of the period	2,269,721	3,094,524
Cash and cash equivalents at the end of the period	<u>2,534,737</u>	<u>3,163,418</u>

Net cash generated from operating activities

During the Reporting Period, net cash generated from operating activities of the Group amounted to RMB914.85 million, representing a period-on-period decrease of RMB23.82 million, which was mainly due to the period-on-period decrease in the renewable energy tariff subsidy funds received by the Group during the Reporting Period.

Net cash used in investing activities

During the Reporting Period, net cash used in investing activities of the Group amounted to RMB548.70 million, representing a period-on-period decrease of RMB757.39 million, which was mainly due to the decrease in the Group's investment expenditure during the Reporting Period.

Net cash used in financing activities

During the Reporting Period, net cash used in financing activities of the Group amounted to RMB103.89 million, representing a period-on-period increase of RMB539.75 million, which was mainly due to the period-on-period decrease in the proceeds from financing by the Group during the Reporting Period.

COMMITMENTS

As at 30 June 2025, the Group had capital commitments not provided for in the interim financial report were as follows:

Item	At 30 June 2025 (RMB'000)	At 31 December 2024 (RMB'000)
Contracted for	241,101	592,343
Authorised but not contracted for	191,159	459,283
Total	432,260	1,051,626

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 instruments to hedge against any foreign exchange risks.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities.

PLEDGE OF ASSETS

As at 30 June 2025, right-of-use assets with carrying amount of RMB625.33 million were pledged as collaterals for certain bank loans.

Save as disclosed above, the Group did not have any pledge of assets as at 30 June 2025.

MATERIAL INVESTMENT, ACQUISITION OR DISPOSAL

During the Reporting Period, the Group had no material investments, acquisitions or disposals, and had no definite plan for any material investment, acquisition or disposal of capital assets.

ISSUE OF 2025 GREEN MEDIUM-TERM NOTES

On 13 January 2025, the Company publicly issued the 2025 Green Medium-term Notes (Series 1) (Bond Connect) in inter-bank of the PRC, with an aggregate principal amount of RMB1.3 billion at a coupon rate of 1.93% for a term of five years, without any guarantee. The coupon rate was the most preferential rate of the Green Panda Bonds domestically in history. The proceeds from the issuance of the 2025 Green Medium-term Notes (Series 1) (Bond Connect) will be primarily used for the repayment of interest-bearing debts and the expenditures of the projects' construction and operation of the Group. The Company, as the issuer, has received "AAA" rating from China Lianhe Credit Rating Co., Ltd.* (聯合資信評估股份有限公司), a credit rating agency.

Details of the issue of the 2025 Green Medium-term Notes (Series 1) (Bond Connect) are published on the website of National Association of Financial Market Institutional Investors (www.nafmii.org.cn) and the website of Shanghai Clearing House (www.shclearing.com.cn).

HUMAN RESOURCES

The Group attached great importance to the construction and development of human resources, explored and continuously optimised its corporate management system, strived to create an atmosphere of talent development concept of "respecting labour, knowledge, talents and creation", was dedicated to providing employees with competitive remuneration packages, safe and comfortable working environment and comprehensive welfare, and proactively built a multi-level, systematic and professional training system, conducted various professional business training from time to time, encouraged employees to participate in training and exchange activities conducted by social and industrial organisations to enhance the comprehensive quality and professional skills of employees and stimulate their motivation and creativity for work. 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, continuously enriched and improved its talent pool through various channels, including internal training, university-enterprise cooperation and recruitment from the society, made mature nurture and promotion channel in place and optimised the structure of human resource, so as to propel the high-quality development of the Group through advanced human resource management.

As at the end of the Reporting Period, the Group had 6,641 employees (30 June 2024: 6,386 employees). 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) was approximately RMB461.8 million (for the corresponding period in 2024: RMB367.3 million).

FUTURE PLAN AND OUTLOOK

In the second half of 2025, under the leadership of the Board of Directors, the Group will continue to uphold the overarching principle of “focusing on the principal business and improving quality and efficiency”. We will strengthen industrial synergy management, deepen the efficiency potential of our environmental protection core business, and seek healthy development across multiple sectors. The Group will also strive to complete the annual tasks and targets, advance high-quality and sustainable growth, and protect the core interests of the shareholders of the Company (the “**Shareholders**”).

Waste-to-Energy Business: Enhancing Quality and Efficiency

The Group will focus on the core management advantages of the waste-to-energy business, its principal business. By concentrating on the core factors of “optimising capacity, improving operations, and increasing profitability”, the Group will maximise production capacity utilisation and operational rates to maintain the competitive edge. The Group will improve various businesses, including steam and electricity sales, collaborative disposal and the Green Electricity Certificate trading and actively expand overseas market for energy-saving manufacturing equipment, and actively explore the application of green electricity resources to extend industrial chain, thereby enhancing the quality of its principal business. By summarising industry operational experience, the Group will establish distinctive business models such as the “365 Club” and “500 Excellence Group”, fostering a culture of innovation and efficiency through benchmarking and knowledge sharing. Such initiatives will elevate operational standards, profitability metrics, and brand influence, comprehensively enhancing business quality.

New Energy Business: Internal Strengthening and Adapting to Market Trends

The Group will focus on the product application and market expansion of new energy materials by increasing research and development innovation for advanced products and leveraging comparative advantages to increase self-production and self-sales shares. For the lithium iron phosphate cathode materials projects, the Group will prioritise raw material procurement, strengthen supply chain development, optimise product performance, and diversify product portfolios, while exploring win-win cooperation models to enhance brand competitiveness. As for the anode materials projects, the Group will focus on equipment installation, process optimisation, market expansion, and energy conservation to steadily achieve production and performance targets.

In terms of the lithium battery recycling and comprehensive utilisation business, the Group will optimise its front-end and back-end process technology by continuously summarising the operation experience, and strengthen its technical superiority by focusing on technological breakthroughs. The Group will also expand recycling channels and marketing network and explore collaborations with leading lithium battery enterprises.

Port Building Materials Business: Seeking Progress while Maintaining Stability under the Guidance of Industry Market-Oriented Philosophy

For the port logistics business, the Group will endeavour to boost its market share by integrating internal and external resources, broadening high-quality customer channels, and seeking to increase business volume and price for stable growth. It will also upgrade berth classes, leverage competitive advantages to ensure steady and healthy development of business.

For the new building materials business, the Group will adhere to market orientation and seize market share; summarise the achievements of technological reformation to enrich product R&D and application; leverage the advantages of production line and product iteration to enhance added value; and coordinate cost reduction and efficiency enhancement, thereby making new contributions to the industry.

INTERIM DIVIDEND

The Board resolved to declare an interim dividend of HK\$0.10 per share for the six months ended 30 June 2025 (six months ended 30 June 2024: nil) to be payable to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 24 October 2025. The interim dividend is expected to be paid to the Shareholders on Monday, 10 November 2025.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 20 October 2025 to Friday, 24 October 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement of the interim dividend, all share transfer documents accompanied by the relevant share certificates shall 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, 17 October 2025. The record date for determining eligibility for the interim dividend is Friday, 24 October 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Board confirmed that the Company has complied with the principles and all applicable code provisions of Part 2 of the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the Reporting Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the securities transactions of the Company by the Directors and the relevant employees (who are likely to possess inside information of the Company) (the "**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 (the "**Model Code**") set out in Appendix C3 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.

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

During the Reporting Period, neither the Company nor its subsidiaries had repurchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)).

As at the end of the Reporting Period, the Company does not hold any treasury shares (including any treasury shares held or deposited with CCASS (as defined in the Listing Rules)).

REVIEW OF THE INTERIM RESULTS

The Audit Committee, which comprises three independent non-executive Directors, namely Mr. Chan Chi On (alias Derek Chan), being the chairman of the Audit Committee, Mr. Chan Kai Wing, and Ms. Cheng Yanlei, has reviewed the unaudited interim results and interim report of the Group for the six months ended 30 June 2025. The Audit Committee has no disagreement with the accounting treatment adopted by the Company.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There was no significant event requiring disclosure affecting the Group occurred during the period subsequent to the Reporting Period and up to the date of this announcement.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<http://www.conchventure.com>). The interim report of the Company for the six months ended 30 June 2025 containing all the information required by the Listing Rules will be published on the above websites and be despatched to the Shareholders, if necessary, in due course.

On behalf of the Board
China Conch Venture Holdings Limited
GUO Jingbin
Chairman

Anhui Province, the People's Republic of China
27 August 2025

As at the date of this announcement, the Board comprises Mr. GUO Jingbin (Chairman), Mr. JI Qinying (Vice-Chairman and Chief Executive Officer), Mr. WANG Xuesen, Mr. HE Guangyuan and Mr. WAN Changbao as executive Directors; Mr. LYU Wenbin as non-executive Director; and Mr. CHAN Chi On (alias Derek CHAN), Mr. CHAN Kai Wing and Ms. CHENG Yanlei as independent non-executive Directors.