

2013 Annual Results Presentation

April 2014



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

Disclaimer

This report is drafted and audited by China Conch Venture Holdings Limited (“Conch Venture” or the “Company”). The information contained in this report shall only be disclosed under the permission of relevant laws, regulations and rules and for the sole purpose of providing information and shall not constitute any advertisement. The material, comment and forecast (if any) contained in this report merely reflects Company's situation or opinion at the date of initial disclosure of this report. Company may revise the information contained in this report and suggest investors to independently pay attention to related updates or amendments.

This report may contain some forward-looking statements. Such statements are the description, analyzing or prospect of Company employees with respect to Company or relating industries. Company makes no promise or guaranty that the contents of such statements will be consistent with Company or relating industries' future performance.

Company Profile



Company Profile

Over 10 years of focus on the energy-saving and environmental protection industry An excellent track record

Listed on the main board of the Hong Kong Stock Exchange on 19 December 2013, China Conch Venture Holdings Limited ("Conch Venture") is a large integrated provider of energy-saving and environmental protection solutions. Its predecessor CV Investment has been engaged in industries such as residual heat power generation, waste incineration, vertical mills and port trade since its inception and has a great wealth of experience in the residual heat power generation industry. It also cooperated with Kawasaki to develop innovative waste incineration solutions, which could effectively solve the two major secondary sources of pollution produced in conventional waste incineration processes, i.e. Dioxin and heavy metal. Additionally, we have introduced advanced technology from Europe and built up manufacturing bases in Wuhu and Bozhou in Anhui to produce and market new energy-saving and environmental wall materials such as CCA boards and WWCB boards. Meanwhile, the synergy between Conch Holdings in which we invest, Conch Cement and Conch Profile in terms of sales networks, potential clients and strategic partners would effectively facilitate the development of Conch Venture's core business. During the reporting period, most of the Company's profit was the investment income from Conch Holdings.



Early stage

- 2002: Predecessor company CV Investment was established
- 2003: CV Investment invested into Conch Holdings, gaining a 49% shareholding
- 2006: HC Port was established for developing and operating Jiangdu Port
- 2006: CK Engineering was established by CV Investment and Kawasaki to carry out engineering projects relating to residual heat power generation for cement and other heavy industrial plants, and other environmental protection solutions



2002 – 2006

Rapid development of core businesses

- 2007: CK Equipment was established by CV Investment and Kawasaki as its shareholders, and started to engage in the manufacturing of residual heat power generation equipment
- 2008: Commenced the construction of the Company's first waste incineration project at Tongling, Anhui Province
- 2010: The Tongling waste incineration project was successfully completed



2007 – 2010

Successful expansion of business at China and abroad

- 2012: Completed the construction of all the facilities at the Yangzhou Haichang Port and commenced operations
- 2012: Began providing residual heat power generation solutions to overseas customers in Brazil, expanding the Company's business beyond the Asia-Pacific region
- 2013: Conch Venture Green and Bozhou Conch Venture Green were founded. The Company begins preparations to expand into the green building materials business
- 2013: Construction of Bozhou CCA plant and Wuhu CCA plant commenced in October and November of 2013, respectively



2011 – 2013

Professional management team



Guo Jingbin
Chairman

Has worked in the Conch Group (and its predecessor) and its two holding listcos Conch Cement and Conch Profiles for over 30 years, and has extensive expertise and experience in the capital markets, energy saving solutions and the building materials industries

Has served numerous senior positions, such as director and deputy general manager of Conch Group, deputy general manager and executive director of Conch Cement, and chairman of Conch Profiles

Responsible for the Group's overall strategy and development



Li Jian
Executive Director & Deputy General Manager

Has worked in the Conch Group and its holding listco Conch Profiles for over 30 years, and has extensive experience in corporate management and the building materials sector

Has served as the executive director and general manager of Conch Profiles

Responsible for the group's strategy and development as well as the overall operational management of Conch's new green building materials business



Zhu Zhongping
Chief Financial Director

With over 20 years' financial management experience

Has served as the chief accountant of Conch Group, the financial department director of Conch Cement, Chairman of Tongling Conch, chief accountant of Anhui Conch Venture Capital Firm, with ample experience in finance, auditing, etc

Responsible for the group's day-to-day financial management work



Ji Qinying
Managing Director and CEO

Has worked in the Conch Group (and its predecessor) and its two holding listcos Conch Cement and Conch Profiles for over 30 years, and has extensive experience in production and operations management

Has served as the deputy general manager of Conch Group, general manager and executive director of Conch Cement, and chairman and general manager of Conch Profiles

Responsible for the daily management of the Group



Li Daming
Executive Director & Deputy General Manager

Has over 25 years of experience in the building materials sector and the energy preservation equipment industry

Has served as the director of the cement equipment department in Conch Cement and deputy general manager of CK Equipment and CK Engineering. He is experienced in the manufacturing of energy preservation equipment and the management of corporate operations

Responsible for residual heat power generation and waste incineration projects, as well as the overall management of CK equipment and CK Engineering



Wang Xuesen
Deputy General Manager

Has over 20 years of experience in logistics sector

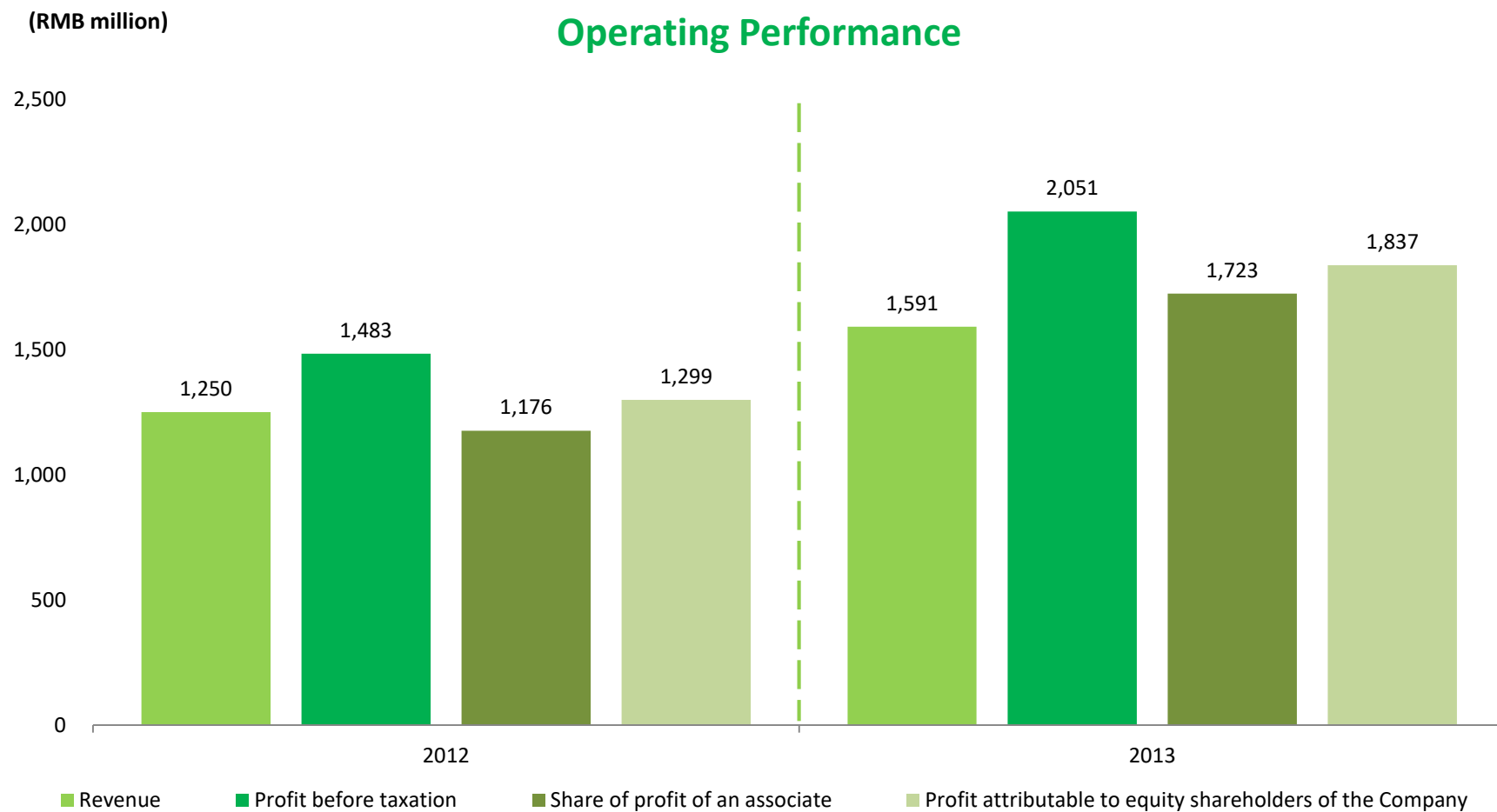
Has served as officials in import export department of Conch Holdings, Wuhu Conch Logistics Company, Shanghai Conch International Trading Company, Shanghai Conch Logistics Company and etc

Have become the General Manager of HC Port since 2006. Sufficient operation and management experiences in export import business, logistics and transportation

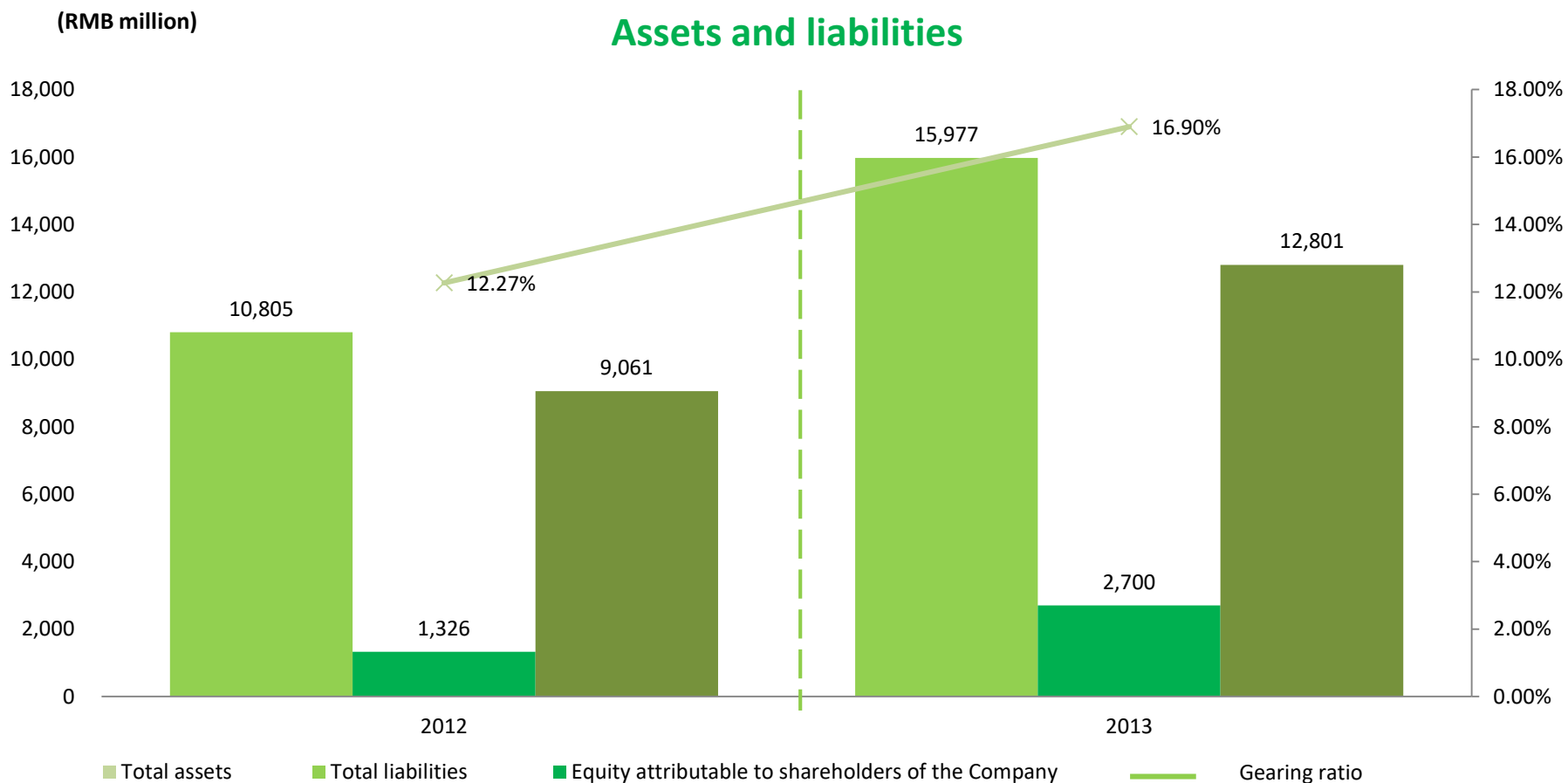
2013 Business Review



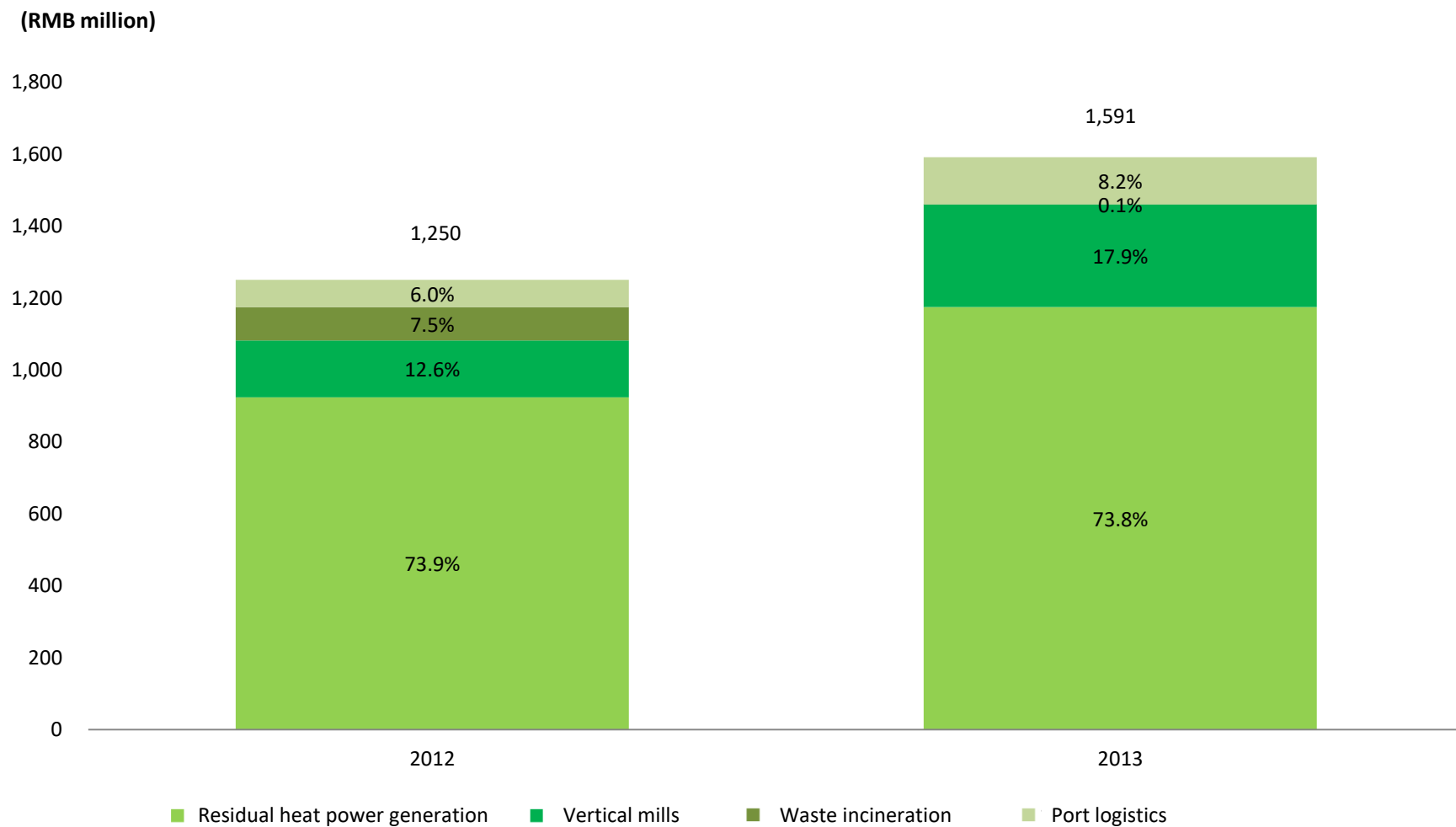
Financial information summary



Financial information summary (continued)

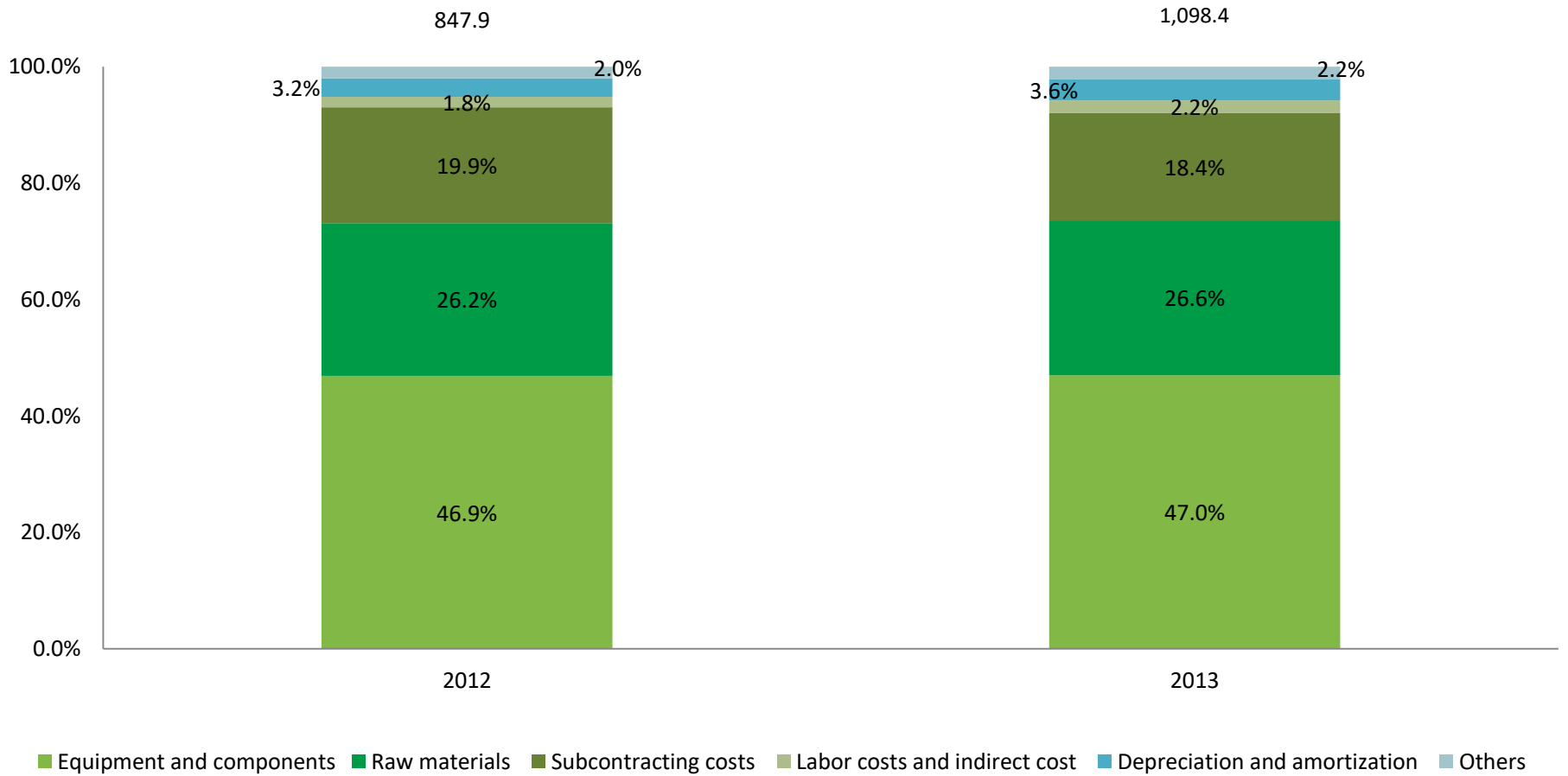


Revenue by segments



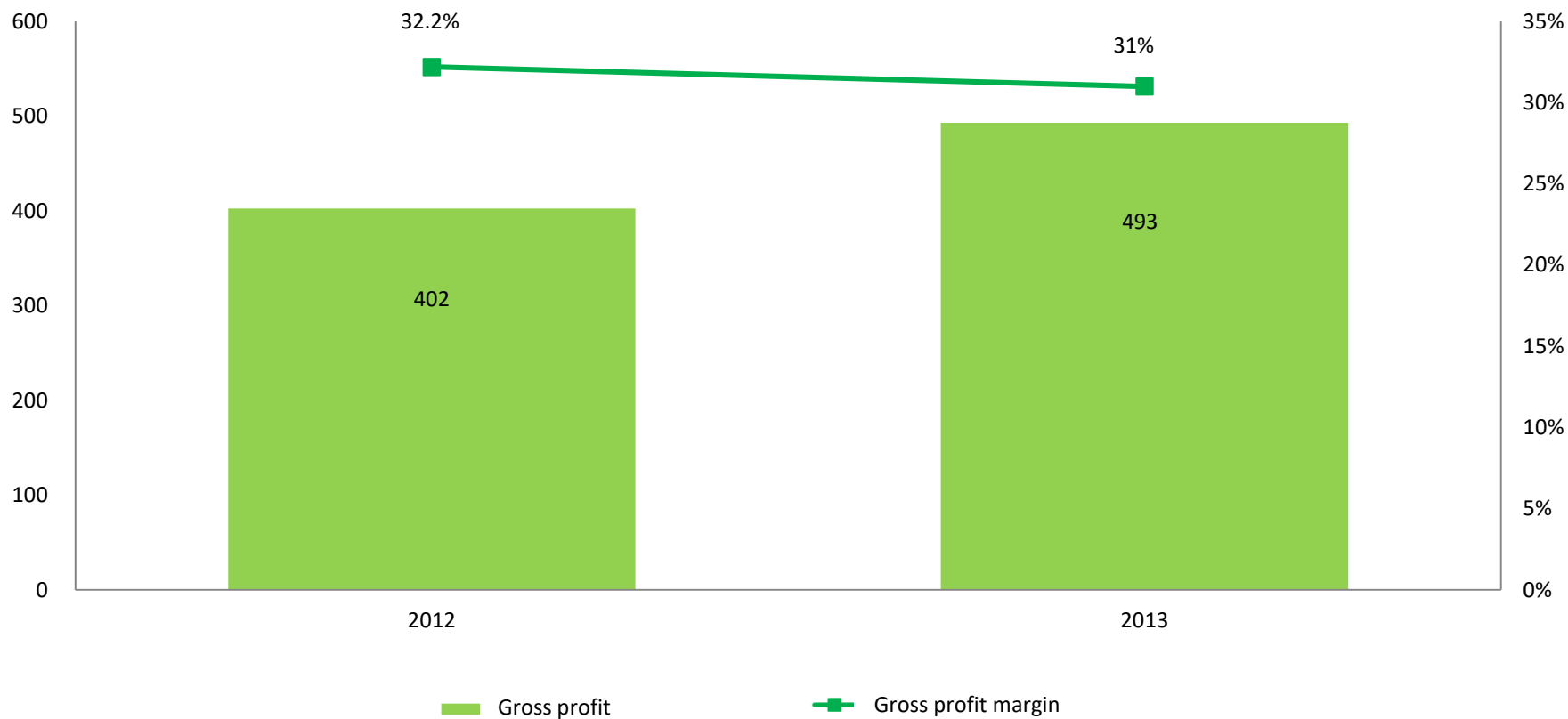
Sales costs

(RMB million)



Gross profit and gross profit margin

(RMB million)



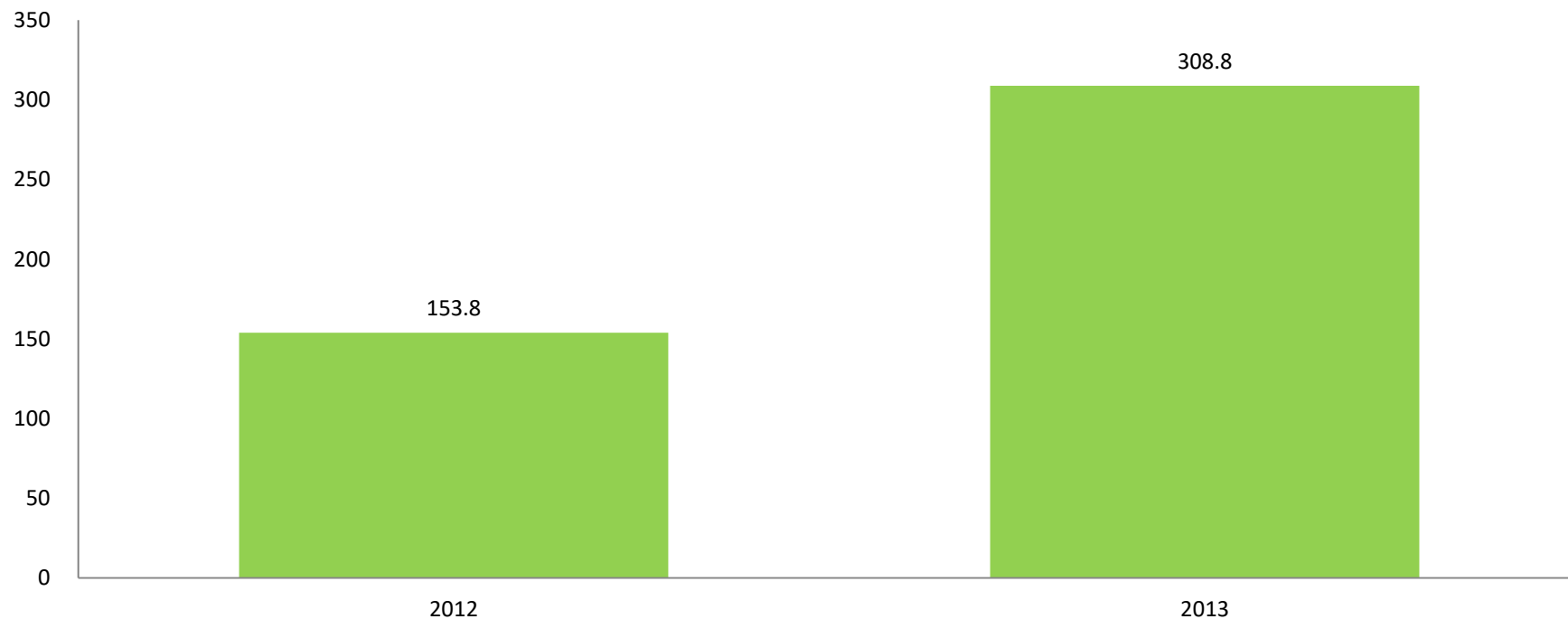
Contributions from associates to the Company's profit

(RMB million)



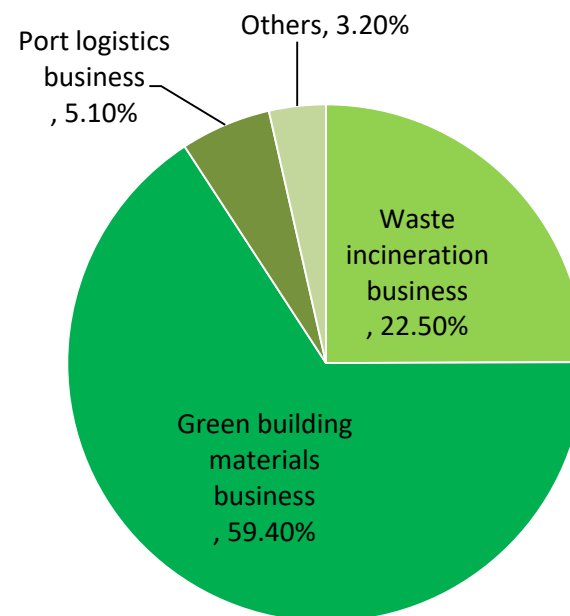
Net cash generated from operating activities

(RMB million)



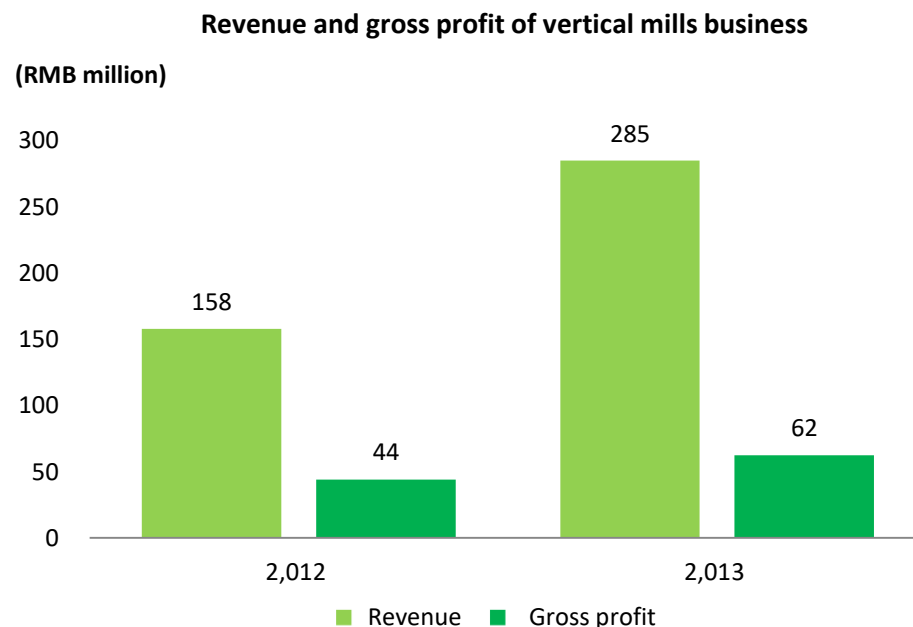
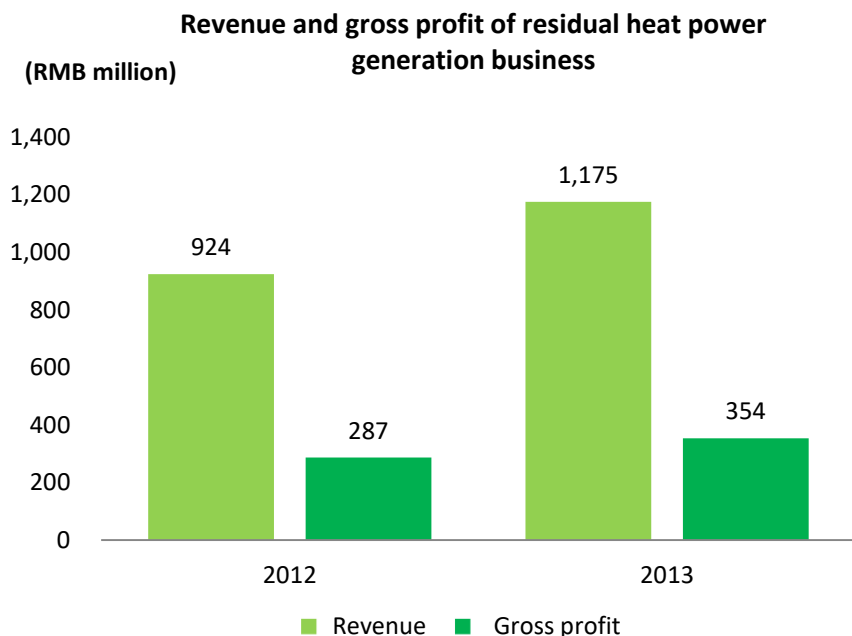
Application and use of raised funds

Waste incineration business	Carry out cement kiln waste incineration projects and grate incinerators waste incineration projects
Green building materials business	<ul style="list-style-type: none">Establish green building materials manufacturing base in Wuhu, Anhui ProvinceEstablish green building materials manufacturing base in Bozhou, Anhui Province
Port logistics business	<ul style="list-style-type: none">Used in completed equipment in Yangzhou Haichang Port, to enlarge its throughput capacity
Others	<ul style="list-style-type: none">Used to repay existing shareholder loansThe remainder is used for working capital and other general purposes of the Company



Performance of energy saving business

- In 2013, while proactively developing cement residual heat power generation projects, the Company started to march into other residual markets, (eg. steel) and actively explored overseas residual heat power generation markets, undertaking in total 3 overseas residual heat power generation projects in Vietnam, Indonesia, etc.
- In 2013, the Company marketed 27 sets of residual heat power generation equipment, representing an increase of 8 sets year on year; marketed 15 vertical mills, representing an increase of 8 vertical mills year on year.
- Revenue of residual heat power generation business and vertical mills business increased by 27.2% and 80.5% over 2012, and gross profit increased by 23.4% and 41.0%.



Performance of environmental protection business

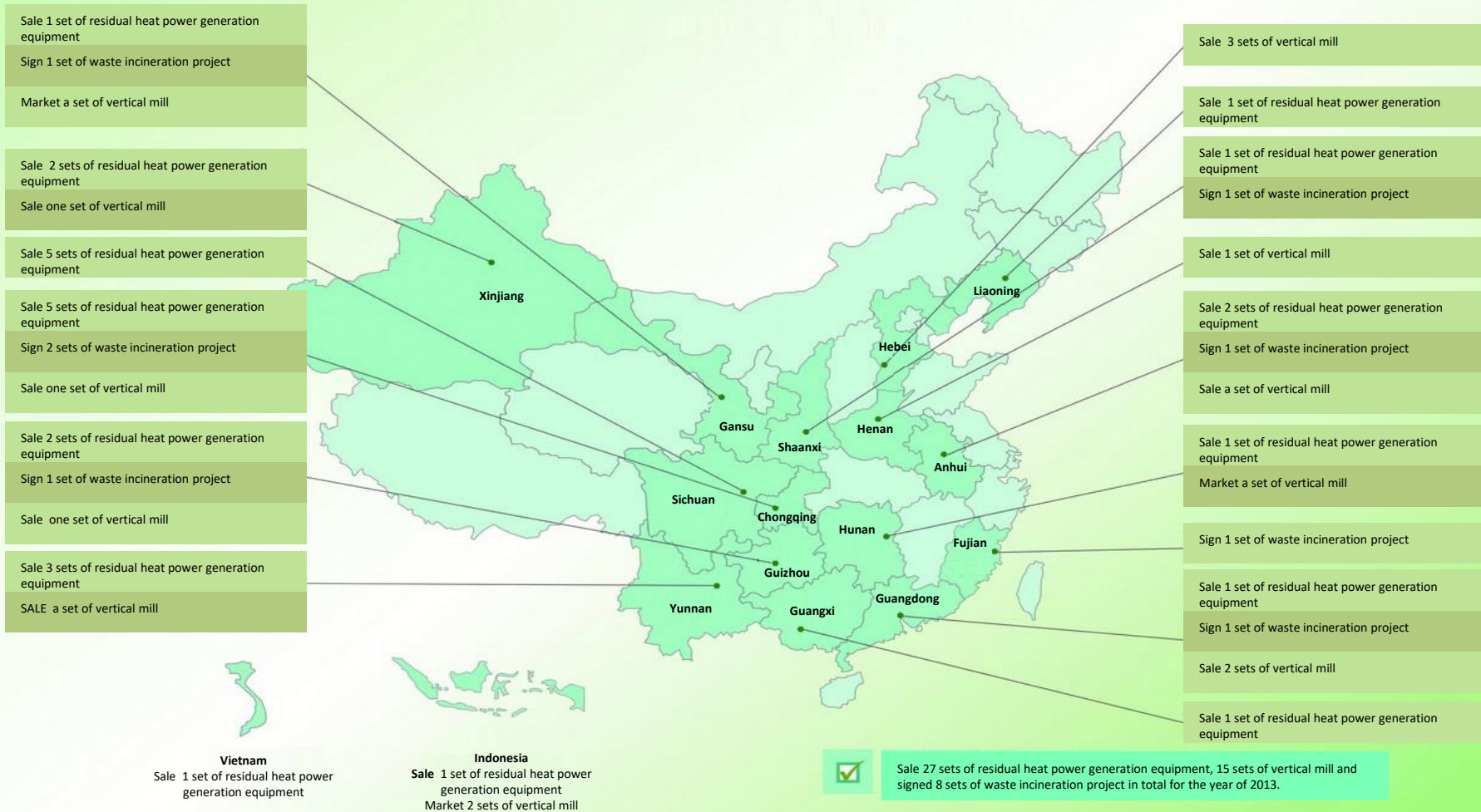
Waste incineration business

- In 2013, the Company contracted 8 waste incineration projects in total. By utilizing funds raised in listing, the Company uses various means such as BOT, BO, EPC, EP, to enter into disposal projects construction agreements in relation to municipal solid waste disposal using cement kilns with local governments of Pingliang, Chongqing, Yangchun, Zunyi, Liquan, etc. In addition, in regions without cement kiln, the Company also introduced Japan's Kawasaki Group's grate furnace incinerators technology and in March 2014 contracted the waste incineration power generation project capable of disposing 100,000 tonnes of waste annually in Jinzhai, Anhui. Negotiations for more projects are under way.



Performance of various businesses in 2013

Prominent performance in energy-saving and environmental protection solutions (1 January 2013 to 31 December 2013)



Green building materials business progress

The construction of new energy-saving building materials manufacturing base in Wuhu started on 28 December 2013



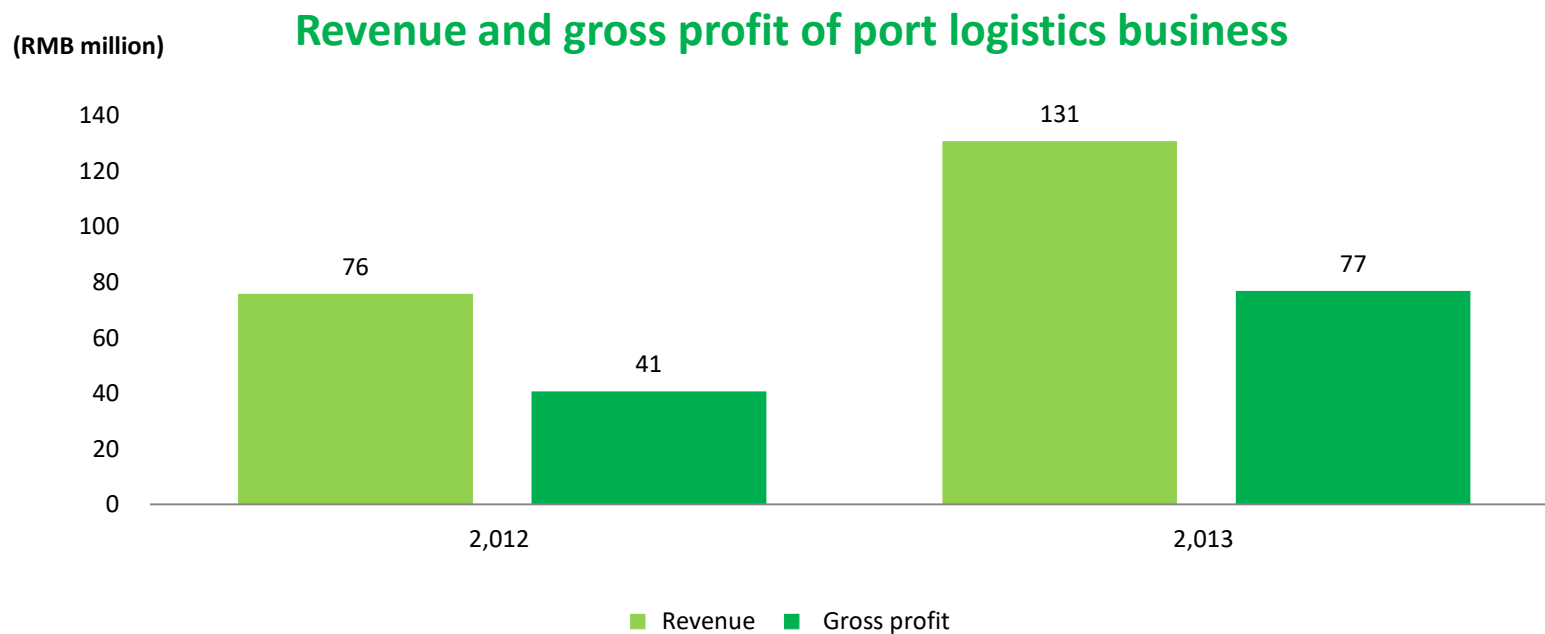
Green building materials business progress

The construction of new energy-saving building materials manufacturing base in Bozhou started on 28 October 2013



Port logistics business

- In 2013, through upgrading several equipment and facilities, expanding port throughput capacity, enhancing efficiencies of loading and unloading, the throughput capacity of port logistic business increased by 8 million tonnes year on year to 19 million tonnes. The revenue and gross profit of port logistics business increased by 72.5% and 89.1% year on year, respectively.
- The Company plans to add new facilities (including conveyor belts, portal cranes and other vessel loader) to major wharfs by the end of 2014, in order to further expand the capacity of Yangzhou Haichang Port.



Port logistics business

Yangzhou Haichang Company



Projects under construction in 2014

List of Conch Venture projects under construction in 2014

Type	Product	No.	Scale	Contract/ investment amount	Location	Expected production time
Power-saving industry	Residual heat power generation	13	110,600 kilowatt/hour	RMB530 million	8 provinces in China, Vietnam, Indonesia	/
Environmental protection industry	Waste incineration	4	1,600 tons/day	RMB380 million	3 provinces in China	/
New material industry	CCA boards	4	32 million square meters/year	RMB150 million	Wuhu, Anhui province	Dec. 2014
				RMB320 million	Bozhou, Anhui	Sep. 2014

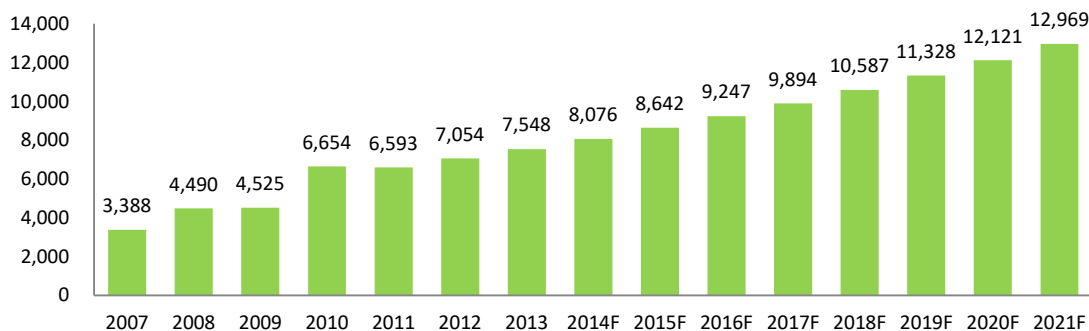
Current Status and Development of The Energy-saving & Environmental Protection Industry



Strong growth potential and support from positive government policy for energy-saving, environmental protection & green building materials industries

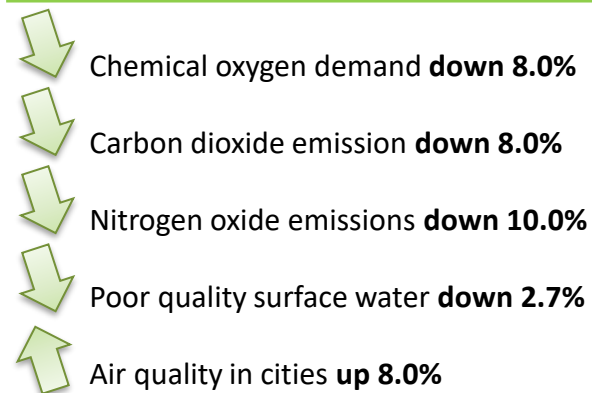
Total investment in environmental pollution treatment in China

(RMB '000million)



Source: National Bureau of Statistics, Institute of Policy & Management Science, Roland Berger analysis

Pollution control goals through 2015



Environmental protection policy

Residual heat power generation

For the "12th Five-Year Plan" period, the % use of pure low temperature residual heat power generation will increase:

- 55% to 70% in the cement industry
- Above 30% in the glass industry
- Above 50% in the steel industry (for large and medium-sized steel makers)

Source: National Bureau of Statistics, industry research reports, industry expert interviews, Roland Berger analysis, company information

Green building materials

According to "China's New Urbanization Plan", the direction of the new urbanization development would carry smart, green, low-carbon features

Source: Cinda Securities non-metal building materials sector weekly

Waste incineration

- In January-September 2013, 32 new waste incineration plants were built in China, sending the total number to 159; processing scale increased by nearly 43,000 tons/day, or 26.1%; the total processing scale reached 145,000 tons/day.
- 2014-2015, China needs to sign additional incineration orders amounting to around 100,000 tons/day; new orders in 2014 are expected to reach 60,000 tons/day; the growth rate of new orders is expected to accelerate.
- At the end of the 12th Five-year Plan Period, the share of waste incineration in China would be less than 40%. In the next 5 years, China will continue to increase the investment in waste incineration.

Source: BOCI Securities research reports---latest information in the sector

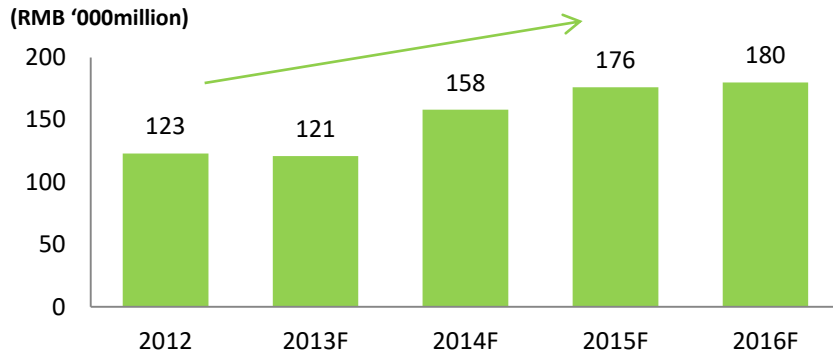
The government will implement the most rigorous accountability system for environmental protection in 2014

- The State Council has formulated air quality improvement action plans and had set targets for provincial governments. Treatment action plans for water and soil are being drafted, as improving and protecting the ecological environment is crucial to China's sustainable development.
- Guofa No. (2013) 41 document issued by the State Council: the government supports using existing cement kilns for harmless co-processing of municipal solid waste and industrial waste. It will amend and improve fiscal incentive policy on comprehensive utilization of resources and further improve the settlement mechanism. The share of coordinated processing production lines will not be lower than 10%. A golden era is ushered in for the energy and environmental protection industry.
- To amend Environmental Protection Law and Atmospheric Pollution Prevention Law; to improve the environmental protection administration regime for regulating all kinds of pollutant emissions
- To implement the most rigorous systems for source protection, compensation for damages and accountability

Source: China Chemical Industry Environmental Protection Association.

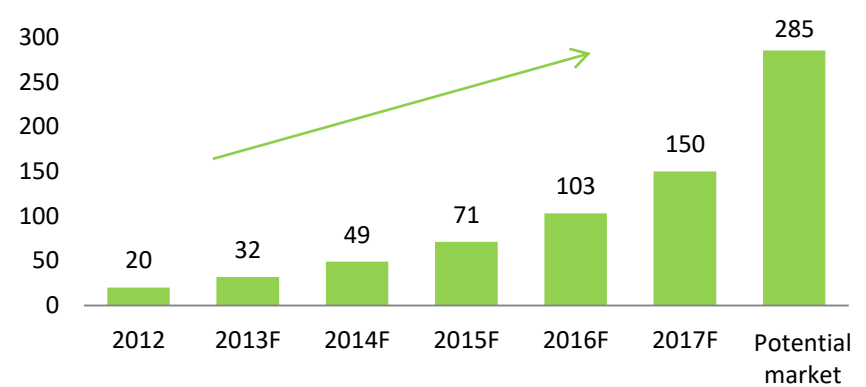
Strong growth potential and support from positive government policy for energy-saving, environmental protection & green building materials industries

Growth prospects of residual heat power generation project market size



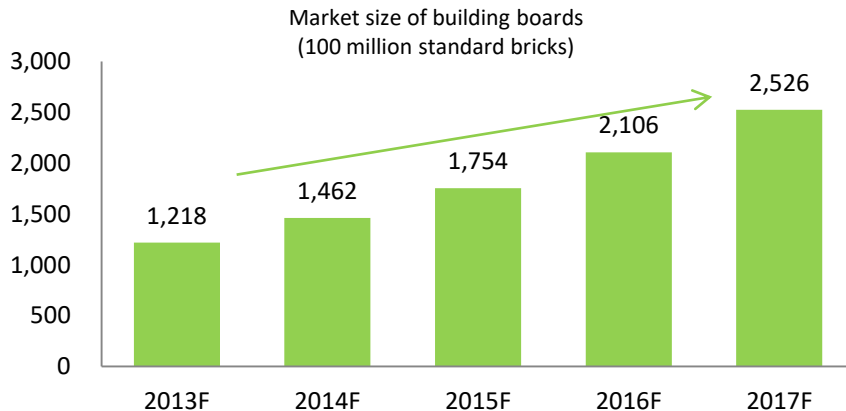
Source: industry research reports, industry expert interviews, Roland Berger analysis

Demand for municipal refuse co-processing projects keeps growing



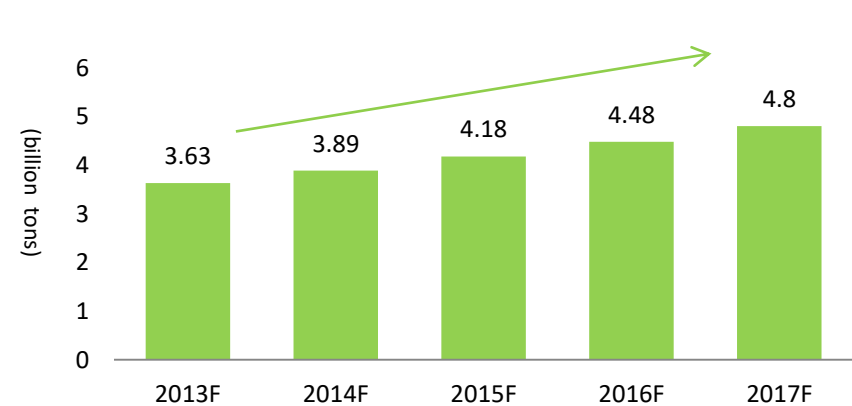
Source: Roland Berger analysis

The market size of building boards in China



Source: the 12th Five-year Plan for New Building Materials Industry, industry expert interviews, Roland Berger analysis

Dry bulk throughput in Yangtze River Delta region



Source: Roland Berger analysis

Future Prospects



Business Development Strategy

Residual heat power generation business

- To devote more R&D resources to refine and improve the residual heat power generation solutions for different industries
- To actively expand residual heat power generation market and increase its market share
- To gradually penetrate in the residual heat power generation market for other sectors such as steel, and actively expand in the overseas residual heat power generation market

Waste incineration business

- To further improve the design of gasifiers, grate furnaces and incinerators
- To widen the application of the waste incineration system to satisfy the development and design of grate furnaces for cities of various demand and size
- To actively develop waste incineration projects for cement producers in western China

Green building materials business

- To continue devoting funds to ensure the CCA board manufacturing bases in Wuhu and Bozhou commence production in 2014
- Building demonstration projects to promote green building materials
- To further enrich and increase product types
- To build factories near end markets

Port logistics business

- To continue enhancing the port facilities of Yangzhou Haichang Port to increase its throughput capacity

Development Strategy

Internal management

- To step up market research, grasp market trends and increase market shares
- To further strengthen internal management and boost management skills
- To continuously optimize remuneration and incentive schemes to attract and train talent to facilitate the Company's sustainable development
- To control various expenses to keep costs stable

Business development strategy

- To implement the internationalization strategy and proactively and prudently push ahead with overseas projects
- To explore and implement upstream and downstream expansion in the industry chain, to prudentially set acquisition targets to complement current business mix
- To further improve internal control, standardize procedures, boost management skill and to and put shareholders' interest as the priority to facilitate the Company's healthy and fast development

Q & A

