

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



安徽海螺水泥股份有限公司

ANHUI CONCH CEMENT COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China)

(Stock Code: 00914)

Interim results for the six months ended 30 June 2024

Revenue of the Company for the Reporting Period, prepared in accordance with the IFRSs, amounted to approximately RMB45,565.62 million, representing a decrease of approximately 30.44% over the corresponding period of the previous year.

As at the end of the Reporting Period, profit attributable to equity shareholders of the Company, prepared in accordance with the IFRSs, was approximately RMB3,486.32 million, representing a decrease of approximately 48.37% over the corresponding period of the previous year.

As at the end of the Reporting Period, basic earnings per share, prepared in accordance with the IFRSs, was RMB0.66, representing a decrease of RMB0.61 per share over the corresponding period of the previous year.

Unless otherwise stated, the currency unit in this announcement is Renminbi (“RMB”), the lawful currency of the People’s Republic of China (“PRC”). Unless otherwise stated, the financial information in this announcement is prepared in accordance with the China Accounting Standards for Business Enterprises (2006) (“PRC Accounting Standards”).

I. BASIC INFORMATION OF THE COMPANY

1. Basic information

Company name	Anhui Conch Cement Company Limited (the “Company”, together with its subsidiaries as the “Group”)
A shares (“A Shares”) and H shares (“H Shares”) stock abbreviation	Conch Cement
A Shares stock code	600585
Exchange on which A Shares are listed	The Shanghai Stock Exchange (“SSE”)
H Shares stock code	00914
Exchange on which H Shares are listed	The Stock Exchange of Hong Kong Limited (“Stock Exchange”)
Office address	No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC
Postal code	241000

2. Contact persons and means of contact

Title	Secretary to the Board (Joint Company Secretary)	Securities Affairs Representative
Name	Yu Shui	Wang Manbo
Contact address	No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC	No. 39 Wenhua Road, Wuhu City, Anhui Province, the PRC
Telephone number	(86-553) 8398976	(86-553) 8398911
Fax number	(86-553) 8398931	(86-553) 8398931
E-mail address	dms@chinaconch.com	dms@chinaconch.com

II. ACCOUNTING DATA AND FINANCIAL INDICATORS

1. Financial summary prepared in accordance with the International Financial Reporting Standards (“IFRSs”)

Items	Six months ended 30 June 2024 (RMB'000) (unaudited)	Six months ended 30 June 2023 (RMB'000) (unaudited)		Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Revenue	45,565,622	65,503,714	65,436,307	-30.44
Net profit attributable to equity shareholders of the Company	3,486,319	6,752,528	6,755,607	-48.37
	As at 30 June 2024 (RMB'000) (unaudited)	As at 31 December 2023 (RMB'000)		Increase or decrease as at the end of the Reporting Period as compared to that at the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	243,734,511	246,356,360	246,189,200	-1.06
Total liabilities	47,580,120	48,393,428	48,278,835	-1.68

Note: During the six months ended 30 June 2024 (“Reporting Period”), the Company is required to restate financial statements for previous year according to the relevant requirements under the PRC Accounting Standards and IFRSs respectively since the acquisition of Anhui Conch Information Technology Engineering Co., Ltd. (“Conch IT Engineering”) and its subsidiary, China Carbon (Anhui) Environmental Technology Co., Ltd., was a business combination under common control (the same for below).

2. Major accounting data prepared in accordance with the PRC Accounting Standards

Items	As at 30 June 2024 (RMB'000) (unaudited)	As at 31 December 2023 (RMB'000)		Increase or decrease as at the end of the Reporting Period as compared to that at the end of the previous year (%)
		After adjustment	Before adjustment	
Total assets	243,734,511	246,356,360	246,189,200	-1.06
Net assets attributable to equity shareholders of the Company	183,547,163	185,389,128	185,321,083	-0.99

Items	Six months ended 30 June 2024 (RMB'000) (unaudited)	Six months ended 30 June 2023 (RMB'000) (unaudited)		Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)
		After adjustment	Before adjustment	
Net cash flows generated from operating activities	6,870,679	5,061,236	5,077,428	35.75
Revenue	45,565,622	65,503,714	65,436,307	-30.44
Net profit attributable to equity shareholders of the Company	3,325,646	6,465,392	6,468,471	-48.56
Net profit after extraordinary items attributable to equity shareholders of the Company	3,184,884	6,154,613	6,158,494	-48.25
Weighted average return on net assets (%)	1.79	3.47	3.48	Decreased by 1.68 percentage points
Basic earnings per share (RMB/share)	0.63	1.22	1.22	-48.35
Diluted earnings per share (RMB/share)	0.63	1.22	1.22	-48.35

III. TOTAL NUMBER OF SHAREHOLDERS AND SHAREHOLDINGS OF THE TOP 10 SHAREHOLDERS

As at the end of the Reporting Period, the total number of registered shareholders of the Company was 264,950, of which 122 were registered holders of H Shares. The shareholdings of the top ten registered shareholders of the Company (excluding shares lent through refinancing) as at the end of the Reporting Period are set out as follows:

Name of registered shareholder	Nature of shareholder	Change during the Reporting Period (share)	Number of shares held at the end of the Reporting Period (share)	Percentage of shareholding (%)	Class of shares	Pledged or frozen	
						Status	Number of shares
1. Anhui Conch Holdings Company Limited (“Conch Holdings”) (Note 1)	State-owned legal person	-	1,928,870,014	36.40	A Share	Nil	-
2. HKSCC Nominees Limited (Note 2)	Foreign legal person	-42,620	1,297,979,090	24.49	H Share	Unknown	Unknown
3. China Securities Finance Corporation Limited	State-owned legal person	-	158,706,314	2.99	A Share	Unknown	Unknown
4. Hong Kong Securities Clearing Company Limited	Foreign legal person	53,337,110	141,637,985	2.67	A Share	Unknown	Unknown
5. Central Huijin Asset Management Ltd.	State-owned legal person	-	68,767,400	1.30	A Share	Unknown	Unknown
6. Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund	Others	10,424,900	28,210,792	0.53	A Share	Unknown	Unknown
7. Guosen Securities Co., Ltd	Others	1,046,814	19,579,515	0.37	A Share	Unknown	Unknown
8. China Construction Bank Corporation–E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund	Others	13,893,400	18,924,578	0.36	A Share	Unknown	Unknown

9. Perseverance Asset Management LLP (Limited Partnership) – Gaoyi Linshan No. 1 Foresight Fund	Others	Unknown	17,500,000	0.33	A Share	Unknown	Unknown
10. Anhui Conch Venture Group Co., Ltd.	Domestic non-state-owned legal person	-	16,531,300	0.31	A Share	Unknown	Unknown

Notes:

- (1) During the Reporting Period, there was no change in the number of shares of the Company held by Conch Holdings. The shares held by Conch Holdings were not subject to any pledge, freezing order or trust.
- (2) As at the end of the Reporting Period, HKSCC Nominees Limited held 1,297,979,090 H Shares, representing 24.49% of the total share capital of the Company, and 99.88% of the issued H Shares of the Company. These shares were held on behalf of its various clients.
- (3) All the above shares are floating shares not subject to trading restrictions.
- (4) The board (“**Board**”) of directors (“**Directors**”) of the Company is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.
- (5) Shareholding in the Company’s designated securities account for repurchase is not shown in the above table. As at the end of the Reporting Period, the number of A Shares held in the Company’s designated securities account for repurchase was 22,242,535, accounting for 0.42% of the Company’s total issued share capital.

Shares lent through refinancing by shareholders with more than 5% shareholding, the top 10 shareholders and the top 10 shareholders without restrictions on trading:

Name of shareholder	Shares in ordinary account and credit account at the beginning of the Reporting Period		Shares lent through refinancing and not been returned at the beginning of the Reporting Period		Shares in ordinary account and credit account at the end of the Reporting Period		Shares lent through refinancing and not been returned at the end of the Reporting Period	
	Total number of shares (share)	Percentage (%)	Total number of shares (share)	Percentage (%)	Total number of shares (share)	Percentage (%)	Total number of shares (share)	Percentage (%)
Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund	17,785,892	0.34	44,100	0.00	28,210,792	0.53	7,200	0.00
China Construction Bank Corporation - E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund	5,031,178	0.09	19,600	0.00	18,924,578	0.36	0	-

IV. PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On 3 November 2023, in order to safeguard the value of the Company and the interests of the shareholders of the Company, the Board considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding (the “**Repurchase**”). Pursuant to the Repurchase plan, the total amount of funds for the Repurchase shall be no less than RMB400 million and no more than RMB600 million and the upper limit of the price for the

Repurchase shall be RMB32.30 per share, the period for the Repurchase shall be three months from the date on which the Board considered and approved the Repurchase plan. The repurchased shares will be sold through centralized price bidding in accordance with relevant laws, regulations and normative documents. If the Company fails to complete the sale of the repurchased shares within three years after completion of the Repurchase, the unsold portion will be cancelled after complying with the relevant legal procedures. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 3 November 2023, and on the website of the SSE on 4 November 2023, respectively.

During the Reporting Period, the Company has repurchased 7,177,535 A Shares through centralized price bidding under the trading system of the SSE, representing 0.14% of the Company's total share capital as of the date of this announcement and the total amount paid was RMB161,428,057.17 (excluding transaction fees). As at the end of the Reporting Period, the Company has completed the Repurchase and has repurchased 22,242,535 A Shares in total (being the number of treasury shares held by the Company as at the end of the Reporting Period). The said repurchased shares have not been sold or cancelled.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any listed securities of the Company.

V. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

1. Interests of Directors, supervisors and chief executive

As at the end of the Reporting Period, the interests and short positions held by the Directors, supervisors, chief executive of the Company and their respective close associates (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (“**HKSE Listing Rules**”)) in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”)), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix C3 to the HKSE Listing Rules, are set out below:

Name	Position	The Company/ name of associated corporation	Nature of interest	Number of shares held (share)	Percentage of shareholding of all issued shares (percentage of shareholding of the relevant class of shares)
Liu Tiantian	Staff representative supervisor	The Company	Beneficial owner	63,500 (H Shares)	0.00% (0.00%)
		China Conch Environment Protection Holdings Limited (“ Conch Environment Protection ”)	Beneficial owner	2,031,939	0.11%

Li Qunfeng	Executive Director and general manager	Conch Environment Protection	Beneficial owner	2,050,000	0.11%
			Interests held jointly with another person ^{Note}	481,412,011	26.35%
He Chengfa	Supervisor cum chairman of the supervisory committee	Conch Environment Protection	Beneficial owner	22,641,843	1.24%
			Interests of spouse	431,500	0.02%
Chen Yongbo	Supervisor	Conch Environment Protection	Beneficial owner	521,000	0.03%

Note: Mr. Li Qunfeng and other concert parties have given undertaking to the Company that they will act in concert with the Company when exercising their voting rights at general meetings of Conch Environment Protection. Pursuant to the SFO, Mr. Li Qunfeng, the Company and other concert parties shall be deemed to be interested in shares of Conch Environment Protection held by each other.

Save as disclosed above, during the Reporting Period, none of the Directors, supervisors and chief executive of the Company nor their respective close associates had any interests and/or short positions in the shares, underlying shares, debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), nor had they been granted any rights to subscribe for or exercised the above rights to subscribe for the interests in the shares or debentures of the Company or its associated corporations as defined in Part XV of the SFO. Such interests or short positions shall be recorded in the register required to be kept and prepared by the Company under section 352 of the SFO; or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

2. Corporate Governance Code

During the Reporting Period, the Company had complied with all the code provisions as set out in Part 2 of the Corporate Governance Code in Appendix C1 to the HKSE Listing Rules.

VI. MANAGEMENT DISCUSSION AND ANALYSIS

ANALYSIS ON THE OPERATIONAL CONDITIONS FOR THE FIRST HALF OF 2024

(1) Overview of operation development

In the first half of 2024, in the face of the complex and severe market competition environment, the Group adhered to its goal orientation, strengthened operational coordination, and strictly enforced risk management and control. The Group coordinated green development and innovation and research and development, pushed forward energy-saving and consumption-reducing technological improvements in an orderly manner. Accelerating the transformation and application of the results of intelligent construction, and actively responding to the adverse impact brought by the decline in demand and prices as well as fierce competition, the Group continued to strengthen its operational resilience.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group's revenue amounted to RMB45,566 million, representing a decrease of 30.44% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB3,326 million, representing a decrease of 48.56% from that for the corresponding period of the previous year; and earnings per share was RMB0.63, representing a

decrease of RMB0.59 per share from that for the corresponding period of the previous year. In accordance with the IFRSs, revenue amounted to RMB45,566 million, representing a decrease of 30.44% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB3,486 million, representing a decrease of 48.37% from that for the corresponding period of the previous year; and earnings per share was RMB0.66, representing a decrease of RMB0.61 per share from that for the corresponding period of the previous year.

The Group actively promoted innovation, accelerated the construction of new quality productivity and consolidated the competitive edge of its main business. During the Reporting Period, the Company participated and submitted the “Application and Development of Design/Preparation Technology of Anti-corrosion Cementitious Materials for High-Speed Railway and Harsh Environmental Engineering” project, and was awarded the second prize of the 2023 National Technology Improvement Award; the “Unmanned Transportation in Open-pit Cement Mine” project of Anhui Haibo Intelligent Technology Co., Ltd. (“**Haibo Intelligent**”) was selected as “Classical Application Case of Robots in Mining Field” by the judges from national ministries, and was selected as a classic sample scenario of top ten intelligent networked vehicles in Anhui Province in 2024; and Shanghai Zhizhi Technology Co., Ltd. (“**Shanghai Zhizhi**”) was selected as a “specialized, sophisticated, distinctive and innovative” little giant enterprise in Shanghai.

During the Reporting Period, the Group actively promoted the construction and development of projects, and continued to strengthen and optimize its core cement business, encouraged mutual support and linkage between domestic and overseas operations, and integrated the development of the upstream and downstream industrial chain. As for core cement business, the domestic cement grinding project of Wuhu Conch Cement Co., Ltd. and Mengcheng Conch Building Materials Co., Ltd. were put into production and operation, overseas Andijan project in Uzbekistan was put into production and operation and the construction of Conch KT Cement (Phnom Penh) Company Limited in Cambodia was in orderly progress. As for the development of industry chain, two aggregate projects were successively put into production and five commodity concrete projects were newly added through construction and leasing in a proactive manner.

During the Reporting Period, the Group increased the production capacity in operation of clinker, cement, aggregates and commodity concrete by 2.30 million tonnes, 4.70 million tonnes, 2.00 million tonnes and 4.8 million cubic meters, respectively. As of the end of the Reporting Period, the Group’s production capacity of clinker, cement, aggregates and commodity concrete amounted to 274 million tonnes, 399 million tonnes, 151 million tonnes and 44.60 million cubic meters respectively, and the capacity of photovoltaic power generation and power storage amounted to 545MW.

(2) Major operational information during the Reporting Period

1. Analysis of revenue and cost

Principal activities by industry, product, region and sales model

Principal activities by industry						
Industry	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year
Building material industry (sale of self-produced products)	33,579,305	25,853,466	23.01	-20.82	-15.76	Decreased by 4.62 percentage points
Building material industry (trading business)	471,336	465,639	1.21	-64.08	-64.39	Increased by 0.86 percentage point
Principal activities by product						
Product	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year
Building material industry (sale of self-produced products) -42.5 grade cement ^{Note 1}	23,686,540	18,328,942	22.62	-22.76	-17.97	Decreased by 4.52 percentage points
Building material industry (sale of self-produced products) -32.5 grade cement	3,878,095	2,834,556	26.91	-23.26	-16.52	Decreased by 5.91 percentage points
Building material industry (sale of self-produced products) -clinker	2,645,038	2,467,825	6.70	-34.29	-27.02	Decreased by 9.30 percentage points
Building material industry (sale of self-produced products) -aggregate and manufactured sand	2,191,138	1,142,903	47.84	29.84	59.54	Decreased by 9.71 percentage points
Building material industry (sale of self-produced products) -commodity concrete	1,178,494	1,079,240	8.42	20.60	26.40	Decreased by 4.20 percentage points
Building material industry (trading business)	471,336	465,639	1.21	-64.08	-64.39	Increased by 0.86 percentage point
Principal activities by region						
Region	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year

Building material industry (sale of self-produced products) -East China ^{Note 2}	8,918,883	7,242,688	18.79	-25.25	-18.94	Decreased by 6.32 percentage points
Building material industry (sale of self-produced products) -Central China ^{Note 3}	10,099,243	7,752,072	23.24	-26.30	-18.44	Decreased by 7.40 percentage points
Building material industry (sale of self-produced products) -South China ^{Note 4}	6,016,279	4,625,051	23.12	-18.90	-11.59	Decreased by 6.36 percentage points
Building material industry (sale of self-produced products) -West China ^{Note 5}	6,028,177	4,651,226	22.84	-14.77	-13.96	Decreased by 0.73 percentage point
Building material industry (sale of self-produced products) -Export	216,983	202,342	6.75	100.69	137.66	Decreased by 14.50 percentage points
Building material industry (sale of self-produced products) -Overseas	2,299,740	1,380,087	39.99	5.72	-9.68	Increased by 10.23 percentage points
Building material industry (trading business)	471,336	465,639	1.21	-64.08	-64.39	Increased by 0.86 percentage point
Principal activities by sales model						
Sales model	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year
Building material industry-Direct sale	19,756,182	14,670,269	25.74	-20.28	-15.72	Decreased by 4.01 percentage points
Building material industry-Distribution	14,294,459	11,648,836	18.51	-24.53	-20.16	Decreased by 4.45 percentage points

Notes: 1. 42.5-grade cement includes cement of grade 42.5 and above;

2. East China mainly includes Jiangsu, Zhejiang, Shanghai, Fujian and Shandong, etc;

3. Central China mainly includes Anhui, Jiangxi and Hunan, etc;

4. South China mainly includes Guangdong, Guangxi and Hainan;

5. West China mainly includes Sichuan, Chongqing, Guizhou, Yunnan, Gansu, Shaanxi, Xinjiang and Inner Mongolia, etc.

Sales by industry

During the Reporting Period, the Group's total net sales volume of cement and clinker amounted to 128 million tonnes, representing a period-on-period decrease of 4.94%. Revenue generated from principal activities amounted to RMB34,051 million, representing a period-on-period decrease of 22.12%. Operating cost amounted to RMB26,319 million, representing a period-on-period decrease of 17.75%. The consolidated gross profit margin of products recorded a period-on-period decrease of 4.10 percentage points to 22.71%.

The Group's sales volume of self-produced cement and clinker products amounted to 126 million tonnes, representing a period-on-period decrease of 3.35%. Sales revenue from self-produced products amounted to RMB33,579 million, representing a period-on-period decrease of 20.82%. Cost of sales of self-produced products amounted to RMB25,853 million, representing a period-on-period decrease of 15.76%. The consolidated gross profit margin of self-produced products recorded a period-on-period decrease of 4.62 percentage points to 23.01%.

During the Reporting Period, the Group achieved a sales volume of 1.55 million tonnes for its cement and clinker trading business, representing a period-on-period decrease of 59.38%. Revenue from trading business amounted to RMB471 million, representing a period-on-period decrease of 64.08%. Cost of trading business decreased by 64.39% period-on-period to RMB466 million.

Sales by product

During the Reporting Period, the gross profit margin of the Group's 42.5-grade cement, 32.5-grade cement and clinker decreased by 4.17 percentage points, 5.39 percentage points and 8.18 percentage points period-on-period, respectively. Among which, the gross profit margin of the Group's self-produced 42.5-grade cement, 32.5-grade cement and clinker decreased by 4.52 percentage points, 5.91 percentage points and 9.30 percentage points period-on-period, respectively. The consolidated gross profit margin of aggregates and manufactured sand decreased by 9.71 percentage points period-on-period to 47.84%; the consolidated gross profit margin of commodity concrete decreased by 4.20 percentage points period-on-period to 8.42%.

Sales by region

During the Reporting Period, affected by the period-on-period decrease in selling prices of products, the sales amount of self-produced products in various regions of China decreased by varying degrees.

In South China region, due to the decrease in selling prices of products, sales amount decreased by 18.90% period-on-period, and gross profit margin decreased by 6.36 percentage points period-on-period.

In East China, Central China and West China regions, due to the decreases in sales volume and selling prices of products, sales amount decreased by 25.25%, 26.30% and 14.77% period-on-period, respectively, and gross profit margin decreased by 6.32 percentage points, 7.40 percentage points and 0.73 percentage point period-on-period, respectively.

During the Reporting Period, with the continuous improvement of the overseas sales market, sales amount for export and overseas project companies increased by 100.69% and 5.72%

period-on-period, respectively.

Sales by sales model

During the Reporting Period, the Group's direct sales amount decreased by 20.28% period-on-period and distribution amount decreased by 24.53% period-on-period; direct sales cost decreased by 15.72% period-on-period and the distribution cost decreased by 20.16% period-on-period; the consolidated gross profit margin of products through direct sales and that of products through distribution decreased by 4.01 percentage points and 4.45 percentage points period-on-period, respectively.

2. Profit analysis

Major profit or loss items prepared in accordance with the PRC Accounting Standards

Items	Amount		Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)
	Six months ended 30 June 2024 (RMB'000) (Unaudited)	Six months ended 30 June 2023 (RMB'000) (Unaudited)	
Revenue from principal activities	34,050,641	43,721,022	-22.12
Profit from operations	4,027,821	8,306,827	-51.51
Profit before taxation	4,386,731	8,498,705	-48.38
Net profit attributable to equity shareholders of the Company	3,325,646	6,465,392	-48.56

During the Reporting Period, mainly affected by the decrease in selling prices of products, the Group's revenue from principal activities, profit from operations, profit before taxation and net profit attributable to equity shareholders of the Company recorded period-on-period decreases of 22.12%, 51.51%, 48.38% and 48.56% respectively.

3. Analysis of costs and expenses

Consolidated costs of cement and clinker for the six months ended 30 June 2024 and their period-on-period changes

Items	Six months ended 30 June 2024		Six months ended 30 June 2023		Change in costs (%)	Change in proportion of costs (percentage points)
	Unit costs (RMB/tonne) (Unaudited)	Proportion (%)	Unit costs (RMB/tonne) (Unaudited)	Proportion (%)		
Raw materials	31.95	17.03	37.02	16.57	-13.70	0.46
Fuel and power	111.73	59.57	141.26	63.23	-20.90	-3.66
Depreciation	15.91	8.48	15.07	6.75	5.57	1.73
Labor cost	11.32	6.04	11.99	5.37	-5.59	0.67
Others	16.66	8.88	18.05	8.08	-7.70	0.80
Total	187.57	100	223.39	100	-16.03	-

Note: All cost items above represent the costs of the Group's self-produced products, excluding cost of the trading business.

During the Reporting Period, the Company's consolidated costs of self-produced cement and clinker products decreased by 16.03%, which was mainly due to the period-on-period decrease of coal prices and period-on-period decrease of coal and electricity consumption.

Changes in major expense items prepared in accordance with the PRC Accounting Standards

Expenses for the period	Amount for the six months ended 30 June 2024 (RMB'000) (Unaudited)	Amount for the six months ended 30 June 2023 (RMB'000) (Unaudited)	Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)	Proportion over the revenue from principal activities for the Reporting Period (%)	Proportion over the revenue from principal activities for the corresponding period of the previous year (%)	Increase or decrease in the proportion over the revenue from principal activities (percentage points)
Selling expenses	1,564,328	1,628,198	-3.92	4.59	3.72	0.87
Administrative expenses	2,701,815	3,143,337	-14.05	7.93	7.19	0.74
Research and development expenses	519,216	733,748	-29.24	1.52	1.68	-0.16
Financial expenses (income is stated in negative)	-442,984	-821,338	46.07	-1.30	-1.88	0.58
Total	4,342,375	4,683,945	-7.29	12.75	10.71	2.04

During the Reporting Period, the Group's research and development expenses decreased by 29.24% period-on-period, which was mainly due to the period-on-period decrease in expenditures for research and development projects such as intelligent production industrialization development and application. The Group's financial expenses (net income) decreased by 46.07% period-on-period, which was mainly due to the impact of fluctuation in exchange rate on financing of some overseas projects, resulting in currency exchange losses.

During the Reporting Period, excluding the impact of revenue from trading business, the proportion of selling expenses, administrative expenses, research and development expenses and financial expenses in aggregate over the revenue from principal activities was 12.93%, representing a period-on-period increase of 1.89 percentage points, which was mainly due to the decrease in revenue from principal activities.

4. Financial position

Asset and liability position

Changes in assets and liabilities prepared in accordance with the PRC Accounting Standards

Items	As at 30 June 2024 (RMB'000) (Unaudited)	As a percentage of total assets as at the end of the Reporting Period (%)	As at 31 December 2023 (RMB'000)	As a percentage of total assets as at the end of the previous year (%)	Increase or decrease in amounts as at the end of the Reporting Period from that at the end of the previous year (%)
Cash at bank and on hand	67,835,471	27.83	68,382,206	27.76	-0.80
Financial assets held for trading	1,669,958	0.69	2,210,733	0.90	-24.46
Inventories	10,530,693	4.32	10,155,442	4.12	3.70
Long-term equity investment	7,916,262	3.25	7,765,192	3.15	1.95
Investments in other equity instruments	1,470,333	0.60	1,348,011	0.55	9.07
Fixed assets	87,943,944	36.08	85,522,929	34.72	2.83
Construction in progress	9,475,313	3.89	10,840,025	4.40	-12.59
Intangible assets	32,553,365	13.36	32,441,933	13.17	0.34
Total assets	243,734,511	100	246,356,360	100	-1.06
Short-term borrowings	5,102,023	2.09	4,479,559	1.82	13.90
Wages payables	271,245	0.11	1,512,598	0.61	-82.07
Contract liabilities	2,712,749	1.11	2,890,062	1.17	-6.14
Non-current liabilities due within a year	3,935,191	1.61	2,867,639	1.16	37.23
Long-term borrowings	12,869,256	5.28	15,611,937	6.34	-17.57
Bonds payables	3,000,000	1.23	0.00	0.00	-
Total liabilities	47,530,623	19.50	48,335,064	19.62	-1.66
Total liabilities and equity	243,734,511	100	246,356,360	100	-1.06

As at the end of the Reporting Period, the Group's balance of financial assets held for trading decreased by 24.46% as compared to that at the end of the previous year, which was mainly due to recovery of structured deposits and fluctuation in share prices of equities held during the Reporting Period; balance of investments in other equity instruments increased by 9.07% as compared to that at the end of the previous year, which was mainly due to fluctuation of share prices of China Conch Venture Holdings Limited and Huaxin Cement Co., Ltd. during the Reporting Period; balance of wages payables decreased by 82.07% as compared to that at the end of the previous year, which was mainly attributable to the payment of year-end bonus for the previous year during the Reporting Period; balance of bonds payables increased by RMB3 billion as compared to that at the end of the previous year, which was mainly attributable to the issue of medium-term notes during the Reporting Period; the balance of non-current liabilities due within a year increased by 37.23% as compared to that at the end of the previous year, which was mainly attributable to the reclassification of long-term borrowings with remaining repayment period of less than one year during the Reporting Period. The Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB243,735 million, representing a decrease of 1.06% as

compared to that at the end of the previous year. Total liabilities amounted to RMB47,531 million, representing a decrease of 1.66% as compared to that at the end of the previous year, of which, current liabilities amounted to RMB28,692 million, representing a decrease of 3.63% as compared to that at the end of the previous year; non-current liabilities amounted to RMB18,838 million, representing an increase of 1.49% as compared to that at the end of the previous year. As at the end of the Reporting Period, the Group's gearing ratio calculated in accordance with the PRC Accounting Standards was 19.50%, representing a decrease of 0.12 percentage point as compared to that at the end of the previous year.

As at the end of the Reporting Period, equity attributable to equity shareholders of the Company amounted to RMB183,547 million, representing a decrease of 0.99% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB12,657 million, representing an increase of 0.19% as compared to that at the end of the previous year. Net assets per share attributable to equity shareholders of the Company as at the end of the Reporting Period amounted to RMB34.78, representing a decrease of RMB0.30 per share as compared to that at the end of the previous year.

As at the end of the Reporting Period, total current assets and total current liabilities of the Group prepared in accordance with the PRC Accounting Standards amounted to RMB97,266 million and RMB28,692 million respectively, with a current ratio of 3.39:1. The decrease in current ratio as compared to that at the end of the previous year was mainly due to the decrease in the balance of current assets such as bill receivables and prepayments. Total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB97,517 million and RMB28,692 million respectively, with a net gearing ratio of 0.063. Net gearing ratio was calculated as follows: (interest-bearing liabilities minus cash and cash equivalents) divided by shareholders' equity.

As at the end of the Reporting Period, overseas assets of the Group amounted to RMB19,572 million, representing 8.03% of the total assets.

During the Reporting Period, subsidiaries of the Company had pledged intangible assets and fixed assets with a book value of approximately RMB65.36 million and RMB315 million, respectively, as security for borrowings from financial institutions. As at the end of the Reporting Period, the aforesaid pledged assets had not been discharged.

Save for the above-mentioned pledged assets, no other assets of the Group were distressed, seized, charged or pledged or could only be realized upon satisfaction of certain conditions or cannot be realized or used to settle debts, nor did there exist any circumstance or arrangement under which the right to occupy, use, gain from and dispose of assets were subject to other restrictions.

Liquidity and source of funds

Maturity analysis of bank loans and other loans of the Group as at the end of the Reporting Period is as follows:

	As at 30 June 2024 (RMB'000) (Unaudited)	As at 31 December 2023 (RMB'000)
Due within 1 year	8,934,652	7,249,965
Due after 1 year but within 2 years	2,706,248	3,040,107
Due after 2 years but within 5 years	6,847,835	10,459,630
Due after 5 years	3,315,173	2,112,200
Total	21,803,908	22,861,902

As at the end of the Reporting Period, balance of the Group's bank borrowings was RMB21,804 million, representing a decrease of RMB1,058 million as compared to that at the end of the previous year. The decrease was mainly attributable to the repayment of borrowings due during the Reporting Period.

Other than the above borrowings, the Group has medium-term notes due within 3 years with a total issue amount of RMB3.0 billion.

During the Reporting Period, the Group's source of funding was mainly from the net cash flows generated from operating activities.

Analysis of cash flow

Comparison of net cash flow prepared in accordance with the PRC Accounting Standards

	Six months ended 30 June 2024 (RMB'000) (Unaudited)	Six months ended 30 June 2023 (RMB'000) (Unaudited)	Changes (%)
Net cash flows generated from operating activities	6,870,679	5,061,236	35.75
Net cash flows generated from investing activities	-1,622,370	-3,454,241	53.03
Net cash flows generated from financing activities	-2,962,380	-3,645,156	18.73
Effect of exchange rate change on cash and cash equivalents	560	74,876	-99.25
Net increase in cash and cash equivalents	2,286,489	-1,963,284	216.46
Balance of cash and cash equivalents at the beginning of the period	11,572,016	16,321,957	-29.10
Balance of cash and cash equivalents at the end of the period	13,858,505	14,358,672	-3.48

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to RMB6,871 million, representing a period-on-period increase of RMB1,809 million. Such increase was mainly due to the decreases in the balances of bills receivables, financing of receivables, trade receivables and prepayments as compared with those at the beginning of the year through optimizing the Group's asset structure and the improvement of liquidity level of assets.

During the Reporting Period, the Group's net cash outflows from investing activities decreased by RMB1,832 million as compared to that of the corresponding period of the previous year, which was

mainly due to the period-on-period decreases in new time deposit and amount of large-denomination certificates of deposit of the Group and the period-on-period decrease in cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from financing activities decreased by RMB683 million as compared to that of the corresponding period of the previous year, which was mainly due to the period-on-period reduction in the amount of dividend distribution by the Company.

(3) Capital expenditure

During the Reporting Period, the capital expenditure of the Group amounted to approximately RMB7,664 million, which was mainly used in investment expenditure for construction of projects.

As at the end of the Reporting Period, capital commitments in respect of the purchase of machinery and equipment for production and the investments that should be committed but have not been provided for in the accounts are set out as follows:

	As at 30 June 2024 (RMB'000) (Unaudited)	As at 31 December 2023 (RMB'000)
Authorized and contracted for	9,976,290	11,795,057
Authorized but not contracted for	6,569,580	6,592,351
Total	16,545,870	18,387,408

(4) Exchange rate risk and related hedging by financial instruments

During the Reporting Period, the payment incurred in the construction of overseas projects were principally made in local currencies, RMB and US dollars. Imported equipment, fire-resistant tiles and spare parts were settled primarily in US dollars and Euro, while cement, clinker and equipment for export were usually settled in RMB or US dollars. The purchase of raw materials and sales of commodities by overseas companies were mainly settled in local currencies. Any movement in the exchange rates of such foreign currencies against RMB will directly affect the project construction costs, material procurement costs and export sales revenue of the Group.

In order to effectively reduce exchange rate risk to ensure that the risk level is overall under control, the Group made appropriate financing and foreign exchange receipt and payment arrangements based on the construction progress of overseas projects, optimized overseas asset-liability structure, reduced liabilities in foreign currencies including USD and HKD, and adjusted its foreign exchange fund management plan on a timely basis. The Group proactively implemented centralized management, allocation and utilization over foreign funds in domestic and overseas markets by continuing to promote a management model of foreign fund pool, so as to lower costs of exchange settlement and sales, effectively reducing financial expenses. The Group implemented a regional fund pool management model in the same country where the Group invested, so as to complement each other's capital advantage, enhance capital economies of scale, reduce loss from currency exchange and reduce financing costs. Meanwhile, the Group paid attention to the changes of foreign

exchange policies of the invested countries, actively responded to the impact of the fluctuation of the exchange rate, reasonably allocated foreign currency assets, and reasonably combined the loan funds in the countries where the Group operates in combination with changes in exchange rates and interest rates and leveraged forward instruments to hedge foreign exchange risks according to the trend of currency exchange rate.

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2024, the central government will adhere to the main theme of “making progress while maintaining stability”, strengthen counter-cyclical adjustment, and implement proactive fiscal policies and prudent monetary policies. With the accelerated placement of funds such as ultra-long-term special government bonds and special bonds, the demand for cement of the projects under construction will be boosted, and infrastructure will remain the main driving force for cement demands. With continuous optimization and implementation of supporting policies in terms of “stabilizing the market” and “de-inventory”, and the acceleration of the construction of “three major projects” such as affordable housing, the real estate market will be recovered to a certain extent. However, the situation of the real estate market is difficult to reverse in the short term, and will be in a stage of further adjustment.

The State Council issued the 2024-2025 Energy Conservation and Carbon Reduction Action Plan and Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development, which require strengthening the adjustment and control on the production capacity and volume of building materials industry, and promoting the normalization of staggered production. They also strictly restrict access to new projects, push forward green and low-carbon transformation and upgrading of traditional industries, and establish a comprehensive exit mechanism for production capacity. In addition, the central government proposed to strengthen industry self-discipline, prevent “involution” vicious competition, strengthen the survival of the fittest mechanism of the market, and facilitate the exit channels for backward and inefficient production capacity, all of which can help to alleviate the contradiction between supply and demand in the cement market, maintain the industry ecology and promote the healthy development of the industry.

In terms of operation and management, the Group will pay close attention to international and domestic macroeconomic situation and take national policies as the guidance to continuously improve the quality and efficiency of operations. Firstly, the Group will conduct in-depth study and judgement on market supply and demand conditions, implement differentiated marketing strategies, give full play to the Company’s brand, supply guarantee and quality advantages, consolidate and deepen the collaborative relationships with major customers, and continue to increase market development efforts. Secondly, the Group will firmly grasp the core of “reducing procurement costs”, consolidate and deepen the strategic cooperation with large coal enterprises, increase the proportion of direct supply of raw materials, sum up the experience and promote the use of alternative fuels, and further reduce procurement costs. Thirdly, the Group will carry out comprehensive and refined approach for management, optimize various economic and technological indicators, and continuously enhance production efficiency and resource utilization rate. Fourthly, the Group will unswervingly implement the strategy of strengthening the Company

through talents, thrive the incentive and appraisal mechanism, strengthen the construction of innovative talent teams, and generate continuous power for the sustainable development of the Company.

In terms of investment development, the Group will insist on effective investment, continuously consolidate the competitive advantages of cement and upstream and downstream industries, and cultivate and expand emerging industries such as new energy, environmental protection and digitalization. Firstly, the Group will seize the opportunity to deeply reshape the market structure of the domestic cement industry, grasp the chance to promote the mergers and acquisitions of high-quality projects, and continuously optimize the market layout. Secondly, the Group will strive for steady progress to expand the layout of overseas businesses, explore diversified development models, make great efforts to seek development opportunities, and focus on improving the operation quality of overseas projects. Thirdly, the Group will consolidate and extend the upstream and downstream industrial chains, improve the operation quality and efficiency of aggregate and commodity concrete businesses, and create a new engine for improving profits. Fourthly, the Group will take the digital industry as the starting point to cultivate and develop new quality productivity, vigorously promote the application of technology results such as intelligent mining system, cement intelligent quality control system, intelligent loading and shipping system and intelligent logistics platform. The Group will explore the application of cutting-edge technologies for energy saving and carbon reduction, so as to form the competitiveness of digital industry while empowering the main business to carry out energy saving, emission reduction and consumption reduction transformation. Fifthly, the Group will expand the development space of new energy industry, promote the enlargement and strengthening of the environmental protection industry, and build new advantages of green development.

VII. AUDIT COMMITTEE

The audit committee (“**Audit Committee**”) of the Board has been established by the Company. The terms of reference adopted by the Audit Committee complied with all the applicable code provisions set out in Part 2 of Appendix C1 to the HKSE Listing Rules. The Audit Committee is responsible for the review and supervision of financial reporting procedures and the internal control system of the Group as well as giving advice and recommendation to the Board. The interim results for the six months ended 30 June 2024 as disclosed in this announcement has been reviewed by the Audit Committee.

VIII. INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend and the capitalization of capital reserve for the first half of 2024.

IX. NO EVENT THAT MIGHT IMPOSE MATERIAL IMPACTS

Since the publication of the annual report of the Company for the year ended 31 December 2023, as at the end of the Reporting Period and up to the date of publication of this interim results announcement, there has been no event or changes to the affairs of the Group that might impose material impacts on the Group.

X. FINANCIAL INFORMATION

Extracts from the unaudited consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income of the Group for the six months ended 30 June 2024 and unaudited consolidated statement of financial position of the Group at 30 June 2024 together with the comparative figures for the corresponding period of 2023, prepared in accordance with the IFRSs and presented on the basis as described in note 4(1) below, are as follows:

1. Consolidated statement of profit or loss (unaudited)

		<u>Six months ended 30 June</u>	
	<i>Note</i>	<u>2024</u>	<u>2023</u>
		<i>RMB'000</i>	<i>RMB'000</i>
			<i>(restated)</i>
			<i>(Note 4(8))</i>
Revenue	4(3)	45,565,622	65,503,714
Cost of sales and services rendered		<u>(37,394,092)</u>	<u>(53,268,857)</u>
Gross profit		8,171,530	12,234,857
Other income	4(4)	1,238,101	1,921,766
Selling and marketing costs		(1,564,328)	(1,628,198)
Administrative expenses		(2,572,953)	(2,867,634)
Research and development costs		<u>(519,216)</u>	<u>(733,748)</u>
Profit from operations		4,753,134	8,927,043
Finance costs	4(5)(a)	(402,997)	(415,610)
Share of profits of associates		152,627	198,426
Share of profits of joint ventures		<u>47,674</u>	<u>107,885</u>
Profit before taxation	4(5)	4,550,438	8,817,744
Income tax	4(6)	<u>(1,003,172)</u>	<u>(1,695,012)</u>
Profit for the period		<u>3,547,266</u>	<u>7,122,732</u>
Attributable to:			
Equity shareholders of the Company		3,486,319	6,752,528
Non-controlling interests		<u>60,947</u>	<u>370,204</u>
Profit for the period		<u>3,547,266</u>	<u>7,122,732</u>
Earnings per share	4(7)		
Basic		<u>RMB0.66</u>	<u>RMB1.27</u>
Diluted		<u>RMB0.66</u>	<u>RMB1.27</u>

Consolidated statement of profit and loss and other comprehensive income (unaudited)

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB '000</i>	<i>RMB '000</i> <i>(restated)</i> <i>(Note 4(8))</i>
Profit for the period	3,547,266	7,122,732
Other comprehensive income for the period (after tax and reclassification adjustments):		
Item that will not be reclassified to profit or loss:		
Equity investments at fair value through other comprehensive income (“FVOCI”) - net movement in fair value reserve (non-recycling)	106,666	(567,236)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas subsidiaries	(25,215)	(113,244)
Shares of other comprehensive income of investees	(6,381)	28,730
Other comprehensive income for the period	<u>75,070</u>	<u>(651,750)</u>
Total comprehensive income for the period	<u>3,622,336</u>	<u>6,470,982</u>
Attributable to:		
Equity shareholders of the Company	3,545,137	6,086,078
Non-controlling interests	77,199	384,904
Total comprehensive income for the period	<u>3,622,336</u>	<u>6,470,982</u>

2. Consolidated statement of financial position (unaudited)

	<u>At 30 June 2024</u> RMB '000	<u>At 31 December</u> 2023 RMB '000 (restated) (Note 4(8))
Non-current assets		
Property, plant and equipment		
- Investment properties	63,394	55,140
- Other property, plant and equipment	106,278,656	104,967,820
Intangible assets	24,744,813	24,675,978
Goodwill	1,147,072	1,147,072
Interest in associates	5,647,704	5,575,551
Interests in joint ventures	2,268,558	2,189,641
Loans and receivables	253,188	250,256
Long-term prepayments	2,586,439	3,109,509
Financial assets measured at FVOCI	1,470,333	1,348,011
Deferred tax assets	1,757,706	1,553,842
	146,217,863	144,872,820
	146,217,863	144,872,820
Current assets		
Inventories	10,530,694	10,155,442
Assets held for sale	38,386	23,538
Trade and bills receivables	9,716,163	12,615,230
Financial assets measured at fair value through profit and loss (“FVPL”)	1,669,958	2,210,733
Prepayments and other receivables	6,677,571	7,152,750
Amounts due from related parties	549,472	505,870
Tax recoverable	498,933	437,771
Restricted cash deposits	949,856	774,871
Bank deposits with original maturity over three months	53,027,109	56,035,319
Cash and cash equivalents	13,858,506	11,572,016
	97,516,648	101,483,540
	97,516,648	101,483,540

3. Consolidated statement of financial position (unaudited) (continued)

	<u>At 30 June 2024</u> <i>RMB'000</i>	<u>At 31 December</u> <u>2023</u> <i>RMB'000</i> <i>(restated)</i> <i>(Note 4(8))</i>
Current liabilities		
Trade and bills payables	5,623,643	6,329,344
Other payables and accruals	9,331,143	11,270,653
Current portion of long-term payables	61,346	61,845
Contract liabilities	2,710,019	2,885,306
Bank loans and other borrowings	8,934,652	7,249,964
Corporate bonds	11,545	-
Lease liabilities	29,671	35,389
Amounts due to related parties	1,016,498	1,007,642
Current taxation	973,933	934,173
	<u>28,692,450</u>	<u>29,774,316</u>
Net current assets	<u>68,824,198</u>	<u>71,709,224</u>
Total assets less current liabilities	<u>215,042,061</u>	<u>216,582,044</u>
Non-current liabilities		
Corporate bonds	3,000,000	-
Bank loans and other borrowings	12,869,256	15,611,937
Lease liabilities	217,655	198,018
Long-term payables	233,008	264,038
Deferred income	889,602	928,827
Deferred tax liabilities	1,678,149	1,616,292
	<u>18,887,670</u>	<u>18,619,112</u>
NET ASSETS	<u>196,154,391</u>	<u>197,962,932</u>
CAPITAL AND RESERVES		
Share capital	5,299,303	5,299,303
Reserves	<u>178,204,369</u>	<u>180,038,278</u>

3. Consolidated statement of financial position (unaudited) (continued)

	<u>At 30 June 2024</u> <i>RMB'000</i>	<u>At 31 December</u> <u>2023</u> <i>RMB'000</i> <i>(restated)</i> <i>(Note 4(8))</i>
Total equity attributable to equity shareholders of the Company	183,503,672	185,337,581
Non-controlling interests	<u>12,650,719</u>	<u>12,625,351</u>
TOTAL EQUITY	<u><u>196,154,391</u></u>	<u><u>197,962,932</u></u>

3. Notes

(1) Basis of preparation

This interim financial report of Anhui Conch Cement Company Limited and its subsidiaries has 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” adopted by the International Accounting Standards Board (“IASB”). It was authorised for issue on 27 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 4(2).

The preparation of an interim financial report 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 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

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

The financial information relating to the financial year ended 31 December 2023 that is included in this interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Statutory annual consolidated financial statements for the year ended 31 December 2023 are available from the Company’s registered office. The independent auditors have expressed an unqualified opinion on those financial statements in their report dated 19 March 2024.

(2) Changes in accounting policies

The Group has applied the following new and amended IFRSs issued by the IASB to this interim financial report for the current accounting period:

- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Classification of Liabilities as Current or Non-current (the “**2020 Amendments**”)
- Amendments to IAS 1, Non-current Liabilities with Covenants (the “**2022 Amendments**”)
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

None of these amendments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(3) Revenue and segment reporting

(a) Revenue

The principal activities of the Group are the manufacturing, sale and trading of clinker and cement products and other materials. Further details regarding the Group’s revenue from principal activities are disclosed below.

(i) Disaggregation of revenue

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

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB '000</i>	<i>RMB '000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
		<i>(restated)</i>
		<i>(Note 4(8))</i>
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by major products or service lines		
- Sales and trading of clinker and cement products	34,050,641	43,721,022
- Sales and trading of other materials	9,750,975	19,713,512
- Service income	1,764,006	2,069,180
	<u>45,565,622</u>	<u>65,503,714</u>

Disaggregation of revenue from contracts with customers by the timing of revenue recognition is disclosed in note 4(3)(b).

The Group’s customer base is diversified and there is no single customer with whom transactions have exceeded 10% of the Group’s revenue.

(3) Revenue and segment reporting (continued)

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that have an original expected duration of one year or less.

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mix of two business lines, cement and cement related business and solid and hazardous waste treatment business, of which cement and cement related business is organised by geography. 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 resource allocation and performance assessment, the Group has presented the following five reportable segments based on the region in which the Group's cement and cement related business operates: Eastern China, Central China, Southern China, Western China and overseas. The solid and hazardous waste treatment business is one reportable segment as the performance assessment is based on the results of the solid and hazardous waste treatment business as a whole. No operating segments have been aggregated to form the following reportable segments.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets in the financial statements prepared in accordance with Accounting Standards for Business Enterprises or referred to as China Accounting Standards ("CAS") issued by the Ministry of Finance ("MOF") of the PRC. Segment liabilities include all liabilities in the financial statements prepared in accordance with CAS.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments in accordance with CAS.

The measure used for reporting segment profit is profit before taxation in accordance with CAS.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment revenue), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders.

(3) Revenue and segment reporting (continued)

Disaggregation of revenue from contracts with customers by the type and timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2024 and 30 June 2023 is set out below.

(3) Revenue and segment reporting (continued)

For the six months ended 30 June 2024 (unaudited)

	<i>Cement and cement related</i>						<i>Subtotal</i>	<i>Solid and hazardous waste treatment</i>	<i>Elimination</i>	<i>Total</i>
	<i>Eastern China</i>	<i>Central China</i>	<i>Southern China</i>	<i>Western China</i>	<i>Overseas</i>	<i>Elimination</i>				
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Disaggregated by type of business										
Sales and trading of clinker and cement products	8,928,195	10,178,471	6,286,244	6,341,587	2,316,144	-	34,050,641	-	-	34,050,641
Sales and trading of other materials	2,594,088	4,199,652	492,002	2,274,427	146,252	-	9,706,421	44,554	-	9,750,975
Service income	99,050	852,120	28,360	10,830	14,193	-	1,004,553	759,453	-	1,764,006
Revenue from external customers	11,621,333	15,230,243	6,806,606	8,626,844	2,476,589	-	44,761,615	804,007	-	45,565,622
Disaggregated by timing of revenue recognition										
Point in time	11,608,031	15,164,763	6,804,856	8,622,265	2,462,497	-	44,662,412	44,554	-	44,706,966
Over time	13,302	65,480	1,750	4,579	14,092	-	99,203	759,453	-	858,656
Revenue from external customers	11,621,333	15,230,243	6,806,606	8,626,844	2,476,589	-	44,761,615	804,007	-	45,565,622
Inter-segment revenue	3,028,951	13,338,103	74,057	127,574	54,325	(16,587,363)	35,647	-	(35,647)	-
Reportable segment revenue	14,650,284	28,568,346	6,880,663	8,754,418	2,530,914	(16,587,363)	44,797,262	804,007	(35,647)	45,565,622
Reportable segment profit (profit before taxation)	618,908	3,234,895	543,968	530,331	73,576	(692,004)	4,309,674	77,057	-	4,386,731

(3) Revenue and segment reporting (continued)

For the six months ended 30 June 2024 (unaudited)

	<i>Cement and cement related</i>							<i>Solid and hazardous waste</i>	<i>Elimination</i>	<i>Total</i>
	<i>Eastern China</i>	<i>Central China</i>	<i>Southern China</i>	<i>Western China</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Subtotal</i>	<i>treatment</i>		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	7,883	1,278,904	14,586	13,086	32,076	(285,447)	1,061,088	2,389	-	1,063,477
Interest expense	(6,461)	(106,731)	(34,280)	(35,622)	(267,781)	100,679	(350,196)	(52,801)	-	(402,997)
Depreciation and amortisation for the period	(275,456)	(1,651,025)	(588,127)	(975,284)	(303,486)	27,865	(3,765,513)	(267,403)	-	(4,032,916)
Reportable segment assets (including interests in associates and joint ventures)	13,395,231	185,365,468	32,085,130	29,180,313	19,572,446	(46,073,781)	233,524,807	10,209,704	-	243,734,511
Investments in associates and joint ventures	-	3,929,584	-	3,650,188	258,418	-	7,838,190	78,072	-	7,916,262
Additions to non-current segment assets during the period	372,509	1,689,302	1,241,507	607,154	1,619,810	-	5,530,282	184,842	-	5,715,124
Reportable segment liabilities	2,517,983	20,579,073	12,732,530	5,685,130	14,065,346	(14,126,199)	41,453,863	6,076,760	-	47,530,623

(3) Revenue and segment reporting (continued)

For the six months ended 30 June 2023 (unaudited) (restated)

	<i>Cement and cement related</i>							<i>Solid and hazardous waste treatment</i>	<i>Elimination</i>	<i>Total</i>
	<i>Eastern China</i>	<i>Central China</i>	<i>Southern China</i>	<i>Western China</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Subtotal</i>			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
Disaggregated by type of business										
Sales and trading of clinker and cement products	13,030,589	12,860,039	8,014,020	7,633,655	2,182,719	-	43,721,022	-	-	43,721,022
Sales and trading of other materials	7,090,887	5,715,361	1,549,315	5,135,902	222,047	-	19,713,512	-	-	19,713,512
Service income	86,605	989,477	4,325	7,682	10,307	-	1,098,396	970,784	-	2,069,180
Revenue from external customers	<u>20,208,081</u>	<u>19,564,877</u>	<u>9,567,660</u>	<u>12,777,239</u>	<u>2,415,073</u>	<u>-</u>	<u>64,532,930</u>	<u>970,784</u>	<u>-</u>	<u>65,503,714</u>
Disaggregated by timing of revenue recognition										
Point in time	20,204,787	19,529,237	9,567,281	12,776,127	2,404,765	-	64,482,197	-	-	64,482,197
Over time	3,294	35,640	379	1,112	10,308	-	50,733	970,784	-	1,021,517
Revenue from external customers	<u>20,208,081</u>	<u>19,564,877</u>	<u>9,567,660</u>	<u>12,777,239</u>	<u>2,415,073</u>	<u>-</u>	<u>64,532,930</u>	<u>970,784</u>	<u>-</u>	<u>65,503,714</u>
Inter-segment revenue	2,453,158	16,204,006	153,777	836,512	53,802	(19,658,820)	42,435	-	(42,435)	-
Reportable segment revenue	<u>22,661,239</u>	<u>35,768,883</u>	<u>9,721,437</u>	<u>13,613,751</u>	<u>2,468,875</u>	<u>(19,658,820)</u>	<u>64,575,365</u>	<u>970,784</u>	<u>(42,435)</u>	<u>65,503,714</u>
Reportable segment profit (profit before taxation)	<u>1,079,763</u>	<u>7,517,282</u>	<u>1,013,878</u>	<u>833,804</u>	<u>531,146</u>	<u>(2,698,908)</u>	<u>8,276,965</u>	<u>221,740</u>	<u>-</u>	<u>8,498,705</u>

(3) Revenue and segment reporting (continued)

For the six months ended 30 June 2023 (unaudited) (restated)

	<i>Cement and cement related</i>							<i>Solid and hazardous waste treatment</i>	<i>Elimination</i>	<i>Total</i>
	<i>Eastern China</i>	<i>Central China</i>	<i>Southern China</i>	<i>Western China</i>	<i>Overseas</i>	<i>Elimination</i>	<i>Subtotal</i>			
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Interest income	8,619	1,143,949	12,628	16,650	6,098	(218,009)	969,935	2,678	-	972,613
Interest expense	(2,154)	(77,254)	(42,671)	(19,964)	(245,207)	21,310	(365,940)	(49,670)	-	(415,610)
Depreciation and amortisation for the period	(296,574)	(1,540,940)	(513,593)	(904,189)	(253,950)	34,189	(3,475,057)	(178,731)	-	(3,653,788)
Reportable segment assets (including interests in associates and joint ventures)	16,076,900	178,387,648	32,584,238	31,547,931	18,614,341	(45,166,058)	232,045,000	9,464,260	(797)	241,508,463
Investments in associates and joint ventures	-	3,044,247	-	3,651,064	241,462	-	6,936,773	72,119	-	7,008,892
Additions to non-current segment assets during the period	545,463	2,490,260	2,224,984	801,848	1,748,964	-	7,811,519	430,534	-	8,242,053
Reportable segment liabilities	2,500,743	20,989,536	13,496,648	5,711,921	14,071,887	(15,408,103)	41,362,632	5,417,274	(797)	46,779,109

(3) Revenue and segment reporting (continued)

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

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
		(Noted 4(8))
Revenue		
Reportable segment revenue	62,188,632	85,204,969
Inter-segment revenue	(16,623,010)	(19,701,255)
Consolidated revenue	<u>45,565,622</u>	<u>65,503,714</u>
Profit		
Reportable segment profit (profit before taxation)	5,078,735	11,197,614
Inter-segment profit	(692,004)	(2,698,908)
Differences between CAS and IFRS*	163,707	319,038
Consolidated profit before taxation	<u>4,550,438</u>	<u>8,817,744</u>

	Six months ended 30 June	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
		(Noted 4(8))
Assets		
Reportable segment assets	289,808,292	286,675,318
Inter-segment assets	(46,073,781)	(45,166,855)
Consolidated total assets	<u>243,734,511</u>	<u>241,508,463</u>
Liabilities		
Reportable segment liabilities	61,656,822	62,188,009
Inter-segment liabilities	(14,126,199)	(15,408,900)
Difference between CAS and IFRS*	49,497	71,397
Consolidated total liabilities	<u>47,580,120</u>	<u>46,850,506</u>

* The difference mainly arises from deferred income in respect of certain government grants recognised in profit and loss under IFRS and special reserve recognised under CAS.

(4) Other income (unaudited)

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
		<i>(Note 4(8))</i>
Interest income on financial assets measured at amortised cost	1,063,477	972,613
Subsidy income*	570,106	547,711
Investment income on wealth management products	-	108,048
Net loss on disposal of property, plant and equipment	(4,781)	(60,466)
Net realised and unrealised (loss)/ gain on financial assets measured at FVPL	(282,628)	(10,933)
Dividend income from financial assets measured at FVOCI	65,428	79,987
Net foreign exchange gain	(209,896)	265,929
Others	36,395	18,877
	<u>1,238,101</u>	<u>1,921,766</u>

* Subsidy income mainly comprised refunds of value-added tax in connection with sales of certain cement products and government grants received.

(5) Profit before taxation

Profit before taxation is arrived at after charging:

(a) Finance costs (unaudited)

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
		<i>(Note 4(8))</i>
Interest on bank loans and other borrowings	426,752	469,057
Interest on long-term payables	11,429	8,700
Interest on lease liabilities	5,306	1,843
Interest expense on financial liabilities not at FVPL	443,487	479,600
Less: interest expense capitalised into construction-in-progress*	<u>(40,490)</u>	<u>(63,990)</u>
	<u>402,997</u>	<u>415,610</u>

* The borrowing costs have been capitalized at rate of 1.90% - 4.20% for the six months ended 30 June 2024 (six months ended 30 June 2023: 2.80% - 4.90%).

(5) Profit before taxation (continued)

(b) Staff costs (unaudited)

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
		<i>(Note 4(8))</i>
Salaries, wages and other benefits	3,428,202	3,582,480
Contributions to defined contribution retirement plans	446,285	373,656
Annuity	167,152	200,181
	<u>4,041,639</u>	<u>4,156,317</u>

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

The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items (unaudited)

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
		<i>(Note 4(8))</i>
Depreciation of investment property and other property, plant and equipment	3,623,545	3,301,199
Amortisation of intangible assets	409,371	352,589
Cost of inventories*	35,771,206	51,011,311

* Cost of inventories included RMB3,836,774,000 (six months ended 30 June 2023: RMB 5,062,040,000) relating to staff costs and depreciation expenses which amount is also included in the respective total amounts disclosed separately above or in note 4(5)(b) for each of these types of expenses.

(6) Income tax

Taxation in the consolidated statement of profit or loss represents (unaudited):

	<u>Six months ended 30 June</u>	
	<u>2024</u>	<u>2023</u>
	<i>RMB'000</i>	<i>RMB'000</i>
		<i>(restated)</i>
		<i>(Note 4(8))</i>
Current tax		
Provision for the period	1,122,936	1,722,477
(Over)/under-provision in respect of prior year	<u>33,100</u>	<u>(17,433)</u>
	1,156,036	1,705,044
Deferred tax		
Origination and reversal of temporary differences	<u>(152,864)</u>	<u>(10,032)</u>
	<u>1,003,172</u>	<u>1,695,012</u>

No provision for Hong Kong Profits Tax was made for the six months ended 30 June 2024 and 2023 as the Group did not earn any income which is subject to Hong Kong Profits Tax.

The Company and the Group's subsidiaries in the mainland China are generally subject to Corporate Income Tax at 25% on taxable income determined according to the PRC income tax laws, except for:

<i>Subsidiaries' Name</i>	<i>Tax rates</i>
Qianxinan Resource Development Co., Ltd. (Note (i))	15%
Pingliang Conch Cement Co., Ltd. (Note (i))	15%
Dazhou Conch Cement Co., Ltd. (Note (i))	15%
Guangyuan Conch Cement Co., Ltd. (Note (i))	15%
Chongqing Conch Cement Co., Ltd. (Note (i))	15%
Liquan Conch Cement Co., Ltd. (Note (i))	15%
Guiyang Conch Panjiang Cement Co., Ltd. (Note (i))	15%
Guiding Conch Panjiang Cement Co., Ltd. (Note (i))	15%
Zunyi Conch Panjiang Cement Co., Ltd. (Note (i))	15%
Qianyang Conch Cement Co., Ltd. (Note (i))	15%
Bazhong Conch Cement Co., Ltd. (Note (i))	15%
Wenshan Conch Cement Co., Ltd. (Note (i))	15%
Shuicheng Conch Panjiang Cement Co., Ltd. (Note (i))	15%

<i>Subsidiaries' Name (continued)</i>	<i>Tax rates</i>
Linxia Conch Cement Co., Ltd. (Note (i))	15%
Tongren Conch Panjiang Cement Co., Ltd. (Note (i))	15%
Guizhou Liukuanguaian Cement Co., Ltd. (Note (i))	15%
Qianxian Conch Cement Co., Ltd. (Note (i))	15%
Tengchong Tengyue Cement Co., Ltd. (Note (i))	15%
Yunnan Zhuangxiang Cement Co., Ltd. (Note (i))	15%
Liangping Conch Cement Co., Ltd. (“ Liangping Conch ”) (Note (i))(Note (ii))	15%
Baoji Zhongxi Fenghuangshan Cement Co., Ltd. (Note (i))	15%
Baoji Zhongxi Jinlinghe Cement Co., Ltd. (Note (i))	15%
Guangxi Lingyun Tonghong Cement Co., Ltd. (Note (i))	15%
Baoshan Conch Cement Co., Ltd. (Note (i))	15%
Ganzhou Conch Cement Co., Ltd. (Note (i))	15%
Hami Hongyi Building Material Co., Ltd. (Note (i))	15%
Yingjiangyunhan Cement Co., Ltd. (Note (i))	15%
Kunming Conch Cement Co., Ltd. (Note (i))	15%
Shaanxi Tongchuan Fenghuang Building Material Co., Ltd. (Note (i))	15%
Chongqing Conch Material Trading Co., Ltd. (Note (i))	15%
Guizhou New Shuanglong Cement Co., Ltd. (Note (i))	15%
Anhui Wuhu Conch Construction and Installation Engineering Co., Ltd. (“ Conch Construction ”) (Note (ii))	15%
Anhui Conch Siam Refractory Material Co., Ltd. (“ Refractory Material ”) (Note (ii))	15%
Zunyi Haihui New Materials Co., Ltd. (Note (i))	15%
Naiman Hongji Cement Co., Ltd. (Note (i))	15%
Chongqing Duoji Renewable Resources Co., Ltd. (Note (i))	15%
Bazhong Conch Building Material Co., Ltd. (Note (i))	15%
Anhui Jinggong Testing and Inspection Center Co., Ltd. (“ Jinggong Testing ”) (Note (ii))	15%
Haibo Intelligent (Note (ii))	15%

<i>Subsidiaries' Name (continued)</i>	<i>Tax rates</i>
Shanghai Zhizhi (Note (ii))	15%
Certain subsidiaries of Conch Environment Protection (Note (i))	15%
Hainan Changjiang Conch Cement Co., Ltd. (Note (v))	15%
Changjiang Conch Huasheng Plastic Packaging Co., Ltd. (Note (v))	15%
Anhui Xuancheng Conch Cement Co., Ltd. (" Xuancheng Conch ") (Note (ii))	15%
Anhui Zongyang Conch Cement Co., Ltd. (" Zongyang Conch ") (Note (ii))	15%
Anhui Conch Zhongnan Intelligent Robot Co., Ltd. (" Zhongnan Intelligent ") (Note (ii))	15%
Conch IT Engineering (Note (ii))	15%

Notes:

(i) Pursuant to Notice No.23 issued by the Ministry of Finance, State Administration of Taxation, National Development and Reform Commission of PRC on 23 April 2020 and relevant local tax authorities' notices, these companies are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC.

(ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, nation supported enterprises recognized as high and new technology enterprise are entitled to a preferential income tax rate of 15%.

Conch Construction obtained a high and new technology enterprise certification in 2015 and obtained a renewed certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from September 2021 to September 2024.

Refractory Material obtained a high and new technology enterprise certification in 2019 and obtained a renewed certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Jinggong Testing obtained a high and new technology enterprise certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from September 2021 to September 2024.

Haibo Intelligent obtained a high and new technology enterprise certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Shanghai Zhizhi obtained a high and new technology enterprise certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Liangping Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Xuancheng Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zongyang Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is

entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zhongnan Intelligent obtained a high and new technology enterprise certification in 2022. Accordingly, it is entitled to a preferential income tax rate of 15% from 2022 to 2024.

Conch IT Engineering obtained a high and new technology enterprise certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from September 2021 to September 2024.

- (iii) According to Caishui [2022] No. 13, “The Announcement of Further Implementation of Inclusive Tax Relief Policy on Small-scaled Minimal Profit Enterprise” issued by Ministry of Finance of the PRC and the State Administration of Taxation of PRC on 14 March 2022, small-scaled minimal profit enterprises with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 2022 to 2024. According to Caishui [2023] No. 6, “The Announcement of Implementation of Inclusive Tax Relief Policy on Small-scaled Minimal Profit Enterprise”, small-scaled minimal profit enterprises with an annual taxable income below RMB1,000,000 is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 2023 to 2024.
- (iv) According to Article 27 of the Law of the PRC on Enterprise Income Tax, the income from investment and operation of public infrastructure projects supported by the state can enjoy preferential tax policy. As further explained by Article 87 of Regulations on the Implementation of Enterprise Income Tax, public infrastructure projects supported by the state refers to the ports, airports, railways, highways, urban public transportation, electric power, water conservancy and other projects stipulated in the Catalogue of Enterprise Income Tax Preferential for Public Infrastructure Projects. The preferential policy allows full exemption from PRC income tax for the first three years starting from the initial year of production and operation and 50% of the standard tax rates will be levied for the following three years.
- (v) According to Caishui [2020] No. 31, “The Notice on Preferential Policies for Enterprise Income Tax in Hainan Free Trade Port”, from 1 January 2020 to 31 December 2024, encouraged industrial enterprises registered in Hainan Free Trade Port with substantive operation will be subject to enterprise income tax at a reduced rate of 15%.

The corporate income tax rates of the subsidiaries outside mainland China are as following:

<i>Subsidiaries' Name</i>	<i>Tax rates</i>
Conch International Holdings (HK) Limited., a subsidiary in Hong Kong	16.5%
Luangprabang Conch Cement Co., Ltd., a subsidiary in Laos	20%
Vientian Conch Cement CO., Ltd., a subsidiary in Laos	20%
Conch Cement Volga Limited Liability Company, a subsidiary in Russia	20%
Conch KT Cement (Phnom Penh) Company Limited, a subsidiary in Cambodia	20%
PT Conch Cement Indonesia, a subsidiary in Indonesia	22%
PT Conch South Kalimantan Cement, a subsidiary in Indonesia	22%
PT Conch International Trade Indonesia, a subsidiary in Indonesia	22%

<i>Subsidiaries' Name (continued)</i>	<i>Tax rates</i>
PT Conch Maros South Sulawesi Mine, a subsidiary in Indonesia	22%
PT Conch Maros Cement Indonesia, a subsidiary in Indonesia	22%
PT Conch Barru Cement Indonesia, a subsidiary in Indonesia	22%
PT Conch North Sulawesi Cement, a subsidiary in Indonesia	22%
PT Conch West Kalimantan Trade Cement, a subsidiary in Indonesia	22%
Tonga Conch Mining Co., Ltd., a subsidiary in Indonesia	22%
Beisu Conch Mining Co., Ltd., a subsidiary in Indonesia	22%
Battambang Conch Cement Company Limited (“ Battambang Conch ”), a subsidiary in Cambodia (Note (i))	-
Qarshi Conch Cement Limited Liability Company, a subsidiary in Uzbekistan	15%
Tashkent Conch Cement Joint Venture Co., Ltd., a subsidiary in Uzbekistan	15%
Shangfeng Bridge of Friendship Co., Ltd., a subsidiary in Uzbekistan	15%
Conch Environment Protection, a company in the Cayman Islands and its subsidiaries in the Cayman Islands and British Virgin Islands (“ BVI ”)(Note (ii))	-
Subsidiaries of Conch Environment Protection in Hong Kong	16.5%

Notes:

- (i) Battambang Conch was accredited as a Qualified Investment Project by the Cambodian Development Council in April 2016. According to local investment laws, it can enjoy income tax exemption for 9 years from the year in which the company generates its revenue and income tax exemption for 6 years from the year in which the company generates its profit, whichever is shorter. According to the policy, the income tax-free period for Battambang Conch is from 2018 to 2024.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the BVI, these subsidiaries are not subject to any income tax in the Cayman Islands and the BVI.

(7) Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on the profit attributable to equity shareholders of the Company of RMB3,486,319,000 (six months ended 30 June 2023: RMB6,752,528,000) and the weighted average number of shares in issue during the six months ended 30 June 2024 of 5,277,710,000 shares (six months ended 30 June 2023: 5,299,303,000 shares).

(b) Diluted earnings per share

The Company had no dilutive potential ordinary shares outstanding during the six months ended 30 June 2024 and 2023, therefore, diluted earnings per share is the same as the basic earnings per share.

(8) Business combination

Business combination under common control

During six months ended 30 June 2024, the Group acquired equity interest of below subsidiary from related parties. Details of the acquired subsidiary are as follows:

<i>Name of the company</i>	<i>Voting rights/ effective equity interests</i>	<i>Date of acquisition</i>	<i>Principal activities</i>	<i>Total cash consideration RMB'000</i>
Conch IT Engineering	100%	2 January, 2024	Information platform construction and operation	126,400

As Conch IT Engineering and the Group are under common control of Conch Holdings before and after the business combination and the control is not transitory, the acquisition of Conch IT Engineering was considered as a business combination involving entities under common control.

The financial performance previously reported by the Group for the six months ended 30 June 2023 have been restated to include the operating results of the combining entities from the earliest date presented under the control of the ultimate shareholder, regardless of the date of the common control combination, as set out below:

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Revenue	65,436,307	146,427	(79,020)	65,503,714
Cost of sales and services rendered	(53,228,724)	(111,395)	71,262	(53,268,857)
Gross profit	12,207,583	35,032	(7,758)	12,234,857
Other income	1,917,957	4,928	(1,119)	1,921,766
Selling and marketing costs	(1,627,155)	(1,043)	-	(1,628,198)
Administrative expenses	(2,858,987)	(8,647)	-	(2,867,634)
Research and development costs	(707,058)	(26,690)	-	(733,748)
Profit from operations	8,932,340	3,580	(8,877)	8,927,043
Finance costs	(415,610)	-	-	(415,610)
Share of profits of associates	198,426	-	-	198,426
Share of profits of joint ventures	107,885	-	-	107,885
Profit before taxation	8,823,041	3,580	(8,877)	8,817,744

(8) Business combination (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Income tax	(1,696,272)	(292)	1,552	(1,695,012)
Profit for the period	<u>7,126,769</u>	<u>3,288</u>	<u>(7,325)</u>	<u>7,122,732</u>
Other comprehensive income for the period (after tax and reclassification adjustments):				
Item that will not be reclassified to profit or loss:				
Equity investments at FVOCI - net movement in fair value reserve (non recycling)	(567,236)	-	-	(567,236)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of financial statements of overseas subsidiaries	(113,244)	-	-	(113,244)
Shares of other comprehensive income of investees	<u>28,730</u>	<u>-</u>	<u>-</u>	<u>28,730</u>
Other comprehensive income for the period	<u>(651,750)</u>	<u>-</u>	<u>-</u>	<u>(651,750)</u>
Total comprehensive income for the period	<u>6,475,019</u>	<u>3,288</u>	<u>(7,325)</u>	<u>6,470,982</u>
Attributable to:				
Equity shareholders of the Company	6,089,157	3,128	(6,207)	6,086,078
Non-controlling interests	<u>385,862</u>	<u>160</u>	<u>(1,118)</u>	<u>384,904</u>
Total comprehensive income for the period	<u>6,475,019</u>	<u>3,288</u>	<u>(7,325)</u>	<u>6,470,982</u>

(8) Business combination (continued)

The financial position previously reported by the Group as at 31 December 2023 has been restated to include the assets and liabilities of the combining entities recognized at the carrying value based on the controlling shareholder's financial statements (i.e. Conch Holdings) as set out below:

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Non-current assets				
Property, plant and equipment				
- Investment properties	55,140	-	-	55,140
- Other property, plant and equipment	105,011,652	8,883	(52,715)	104,967,820
Intangible assets	24,613,705	62,273	-	24,675,978
Goodwill	1,147,072	-	-	1,147,072
Interest in associates	5,575,551	17,531	(17,531)	5,575,551
Interests in joint ventures	2,189,641	-	-	2,189,641
Loans and receivables	250,256	-	-	250,256
Long-term prepayments	3,108,137	1,372	-	3,109,509
Financial assets measured at FVOCI	1,348,011	-	-	1,348,011
Deferred tax assets	1,543,300	-	10,542	1,553,842
	<u>144,842,465</u>	<u>90,059</u>	<u>(59,704)</u>	<u>144,872,820</u>
Current assets				
Inventories	10,100,346	55,096	-	10,155,442
Assets held for sale	23,538	-	-	23,538
Trade and bills receivables	12,566,632	75,331	(26,733)	12,615,230
Financial assets measured at FVPL	2,210,733	-	-	2,210,733
Prepayments and other receivables	7,146,508	6,242	-	7,152,750
Amounts due from related parties	510,492	(4,622)	-	505,870
Tax recoverable	426,887	10,884	-	437,771
Restricted cash deposits	774,871	-	-	774,871
Bank deposits with original maturity over three months	56,035,319	-	-	56,035,319
Cash and cash equivalents	11,551,409	20,607	-	11,572,016
	<u>101,346,735</u>	<u>163,538</u>	<u>(26,733)</u>	<u>101,483,540</u>

(8) Business combination (continued)

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Current liabilities				
Trade and bills payables	6,219,448	136,629	(26,733)	6,329,344
Other payables and accruals	11,242,368	28,285	-	11,270,653
Current portion of long-term payables	61,845	-	-	61,845
Contract liabilities	2,883,152	2,154	-	2,885,306
Bank loans and other borrowings	7,249,964	-	-	7,249,964
Lease liabilities	35,389	-	-	35,389
Amounts due to related parties	1,033,490	(25,848)	-	1,007,642
Current taxation	934,173	-	-	934,173
	<u>29,659,829</u>	<u>141,220</u>	<u>(26,733)</u>	<u>29,774,316</u>
Net current assets	<u>71,686,906</u>	<u>22,318</u>	<u>-</u>	<u>71,709,224</u>
Total assets less current liabilities	<u>216,529,371</u>	<u>112,377</u>	<u>(59,704)</u>	<u>216,582,044</u>
Non-current liabilities				
Bank loans and other borrowings	15,611,937	-	-	15,611,937
Lease liabilities	198,018	-	-	198,018
Long-term payables	263,932	106	-	264,038
Deferred income	928,827	-	-	928,827
Deferred tax liabilities	1,616,292	-	-	1,616,292
	<u>18,619,006</u>	<u>106</u>	<u>-</u>	<u>18,619,112</u>
NET ASSETS	<u>197,910,365</u>	<u>112,271</u>	<u>(59,704)</u>	<u>197,962,932</u>
CAPITAL AND RESERVES				
Share capital	5,299,303	50,000	(50,000)	5,299,303
Reserves	179,970,234	60,217	7,827	180,038,278
Total equity attributable to equity shareholders of the Company	<u>185,269,537</u>	<u>110,217</u>	<u>(42,173)</u>	<u>185,337,581</u>
Non-controlling interests	<u>12,640,828</u>	<u>2,054</u>	<u>(17,531)</u>	<u>12,625,351</u>
TOTAL EQUITY	<u>197,910,365</u>	<u>112,271</u>	<u>(59,704)</u>	<u>197,962,932</u>

(8) Business combination (continued)

The cash flows previously reported by the Group for the six months ended 30 June 2023 have been restated to include the cash flows of the combining entities from the earliest date presented or since the date when combining entities first came under common control, regardless of the date of the common control combination, as set out below:

	The Group RMB'000 (as previously reported)	Conch IT Engineering RMB'000	Inter-company Elimination RMB'000	The Group RMB'000 (as restated)
Net cash generated from operating activities	4,605,469	35,308	(51,502)	4,589,275
Net cash used in investing activities	(3,502,800)	(15,284)	63,844	(3,454,240)
Net cash used in financing activities	(3,161,456)	602	(12,342)	(3,173,196)
Net (decrease)/increase in cash and cash equivalents	(2,058,787)	20,626	-	(2,038,161)
Cash and cash equivalents as at 1 January 2023	16,158,423	163,534	-	16,321,957
Effect of foreign exchange rate changes	74,876	-	-	74,876
Cash and cash equivalents as at 30 June 2023	<u>14,174,512</u>	<u>184,160</u>	<u>-</u>	<u>14,358,672</u>

(9) Contingent liabilities

At 30 June 2024, outstanding balance of letters of credit issued by the Group amounted to RMB622,384,000 (31 December 2023: RMB654,525,000).

At 30 June 2024, the Group provided guarantees in relation to banking facilities to its related party, PT SDIC Papua Cement Indonesia amounting to USD123,326,875, equivalent to RMB880,361,000 (31 December 2023: USD123,326,875, equivalent to RMB875,786,000). These facilities were utilised to the extent of RMB880,361,000 as at 30 June 2024 (31 December 2023: RMB875,786,000).

By Order of the Board
Anhui Conch Cement Company Limited
Chairman
Yang Jun

Wuhu City, Anhui Province, the PRC
27 August 2024

As at the date of this announcement, the Board comprises (i) Mr. Yang Jun, Mr. Zhu Shengli, Li Qunfeng, Mr. Wu Tiejun and Mr. Yu Shui as executive Directors; (ii) Mr. Qu Wenzhou, Ms. Ho Shuk Yee, Samantha and Ms. Zhang Yunyan as independent non-executive Directors.