

## Company Background

Anhui Conch Cement Company Limited (“Anhui Conch” or “the Company”) was established on 1st September, 1997. The Company’s H shares became listed on the Stock Exchange of Hong Kong on 21st October, 1997 (stock code: 0914). The total share capital of the Company of 983,480,000 shares comprises 622,480,000 State shares and 361,000,000 H shares.

The Company and its subsidiaries (“the Group”) is one of the largest manufacturers of cement and clinker operating in various provinces in the PRC. The Group is principally engaged in the production, sales and development of high and medium grade cement and commodity clinker. Its major products include Chinese grades #525 and #425 ordinary portland cement, portland cement, portland blast furnace slag cement, #425 compound cement and commodity clinker. The Company is a leading or major supplier of high grade cement and commodity clinker to coastal cities and provinces in the eastern and southern PRC, such as Shanghai, Anhui, Jiangsu, Zhejiang, Fujian, Jiangxi and Guangdong. Products of the Group are widely used in a number of large-scale infrastructure construction and priority construction projects in the regions. All the products are sold under the “Conch” and “Huangshan” trademarks, which are renowned brandnames in the PRC market.

The Company holds the entire interest in two production plants, namely Ningguo Cement Plant and Baimashan Cement Plant. It also holds 75%, 68.2% and 51% interests in Anhui Hailuo Cement Product Co., Ltd., Anhui Tongling Hailuo Cement Co., Ltd. and Anhui Digang Hailuo Cement Co., Ltd. respectively. In addition, the Company has also established grinding mills and silos along the coastal and Yangtze region, such as Ningbo, Shanghai, Nantong, Zhangjiagang, Nanjing, Shantou and Taizhou in Jiangsu Province and Jianyang City in Fujian Province.

The Group plans to roll out its plans of expansion in scale of production and marketing network in three to five years through acquisition, merger and restructuring activities. In addition, the Group will continue its core business and capture other business opportunities in other industries in a well-planned and cautious way.

