

## 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 Limited (“SEHK”) on 21st October, 1997 (stock code: 0914). As of 31st December, 2001, the total number of shares of the Company was 983,480,000 shares, comprising of 622,480,000 State-owned shares and 361,000,000 H shares.

The Company and its subsidiaries (“the Group”) is a large-scale conglomerate of cement and clinker enterprise operating on a transregional basis 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 grades 42.5 and 32.5 (note: grade 42.5 cement is equivalent to the old classification of #525 cement, while grade 32.5 cement is equivalent to the old classification of #425 cement) ordinary portland cement, portland cement, portland blast furnace slag cement, grade 32.5 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 PRC, such as Shanghai, Anhui, Jiangsu, Zhejiang, Jiangxi and Fujian. Products of the Group are widely used in a number of large-scale infrastructure construction and priority construction projects in the regions. The products are sold under the “Conch” trademark, which is a renowned brandname in the PRC market.

The Company has 6 large-scale clinker production bases in Ningguo, Baimashan, Tongling, Digang, Zongyang, Chizhou; and the construction of two clinker factories in Jiangxi Fenyi and Zhejian Jiande will get started soon. In addition, the Company has also established more than 10 grinding mills and silos along the coastal and Yangtze region, such as Ningbo, Shanghai, Nantong, Zhangjiagang, Nanjing 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 cement business as core business and capture other business opportunities in other related industries in a well-planned and cautious way.