



**2020 INTERIM REPORT**

**Anhui Conch Cement Company Limited**

(A Share: 600585 H Share: 00914)

1. The Board, Supervisory Committee and Directors, Supervisors and the senior management of the Company warrant that the information in this report, for which they jointly and severally accept legal liability, is truthful, accurate and complete, and does not contain any misrepresentation, misleading statement or material omission.
2. All Directors of the Company attended the fourth meeting of the eighth session of the Board.
3. This interim report is unaudited.
4. Mr. Gao Dengbang, Chairman of the Company, Mr. Wu Bin, officer-in-charge of the accounting function and Ms. Liu Yan, officer-in-charge of the accounting department, have declared that they warrant the financial statements contained herein are true, accurate and complete.
5. During the Reporting Period, there was no appropriation of the Company's funds for non-operating purpose by the controlling shareholder of the Company and its related parties.
6. During the Reporting Period, there was no external guarantee provided in violation of the established decision-making procedures.
7. Unless otherwise stated, all financial data in this report are prepared in accordance with the PRC Accounting Standards, and all monetary amounts herein are denominated in RMB.

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# 1. Definitions

The following terms and expressions contained in this report shall, unless the context otherwise requires, have the meanings assigned to them as follows:

The Company/Conch Cement	:	Anhui Conch Cement Company Limited
The Group	:	the Company and its subsidiaries
Board	:	the Board of Directors of the Company
Director(s)	:	the Director(s) of the Company
Supervisory Committee	:	the supervisory committee of the Company
Supervisor(s)	:	the supervisor(s) of the Company
Audit Committee	:	the audit committee of the Board
Conch Holdings	:	Anhui Conch Holdings Co., Ltd.
Conch Profiles and Science	:	Wuhu Conch Profiles and Science Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000619)
Conch Investment Company	:	Anhui Conch Investment Co., Ltd.
Conch New Materials Company	:	Anhui Conch New Materials Technology Co., Ltd.
Conch Design Institute	:	Anhui Conch Construction Materials Design Institute Co., Ltd.
Conch IT Engineering	:	Anhui Conch Information Technology Engineering Co., Ltd.
CV Investment	:	Anhui Conch Venture Investment Co., Ltd.
Conch Venture	:	China Conch Venture Holdings Limited, a company listed on the Stock Exchange (stock code: 0586)
Conch Venture Property	:	Wuhu Conch Venture Property Co., Ltd.
Conch HK	:	Conch International Holdings (HK) limited
Jiangsu Conch Building Materials	:	Jiangsu Conch Building Materials Co., Ltd.

## 1. Definitions

Xinli Finance	:	Anhui Xinli Finance Co., Ltd., a company listed on the SSE (stock code: 600318)
WCC	:	West China Cement Limited, a company listed on the Stock Exchange (stock code: 2233)
Indonesia International Trade Conch	:	PT Conch International Trade Indonesia
North Sulawesi Conch	:	PT Conch North Sulawesi Cement
Wuhu South Cement	:	Wuhu South Cement Co., Ltd.
Associate	:	has the meaning ascribed to it under the Listing Rules
Connected person	:	has the meaning ascribed to it under the Listing Rules
Regional Committee	:	Management unit(s) specially established by organizing certain subsidiaries located in a particular province or neighboring areas into a regional management unit for implementation of regional management in order to strengthen the Company's management over its subsidiaries and enhance management efficiency
Reporting Period	:	The period from 1 January 2020 to 30 June 2020
A Share	:	ordinary shares in the capital of the Company listed on the SSE, with a nominal value of RMB1.00 per share, which are subscribed for and traded in RMB
H Share	:	foreign shares in the capital of the Company listed on the Stock Exchange, with a nominal value of RMB1.00 per share, which are subscribed for and traded in Hong Kong dollars
Stock Exchange	:	The Stock Exchange of Hong Kong Limited
HKSE Listing Rules	:	The Rules Governing the Listing of Securities on the Stock Exchange
SFO	:	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
SSE	:	Shanghai Stock Exchange

## 1. Definitions

SSE Listing Rules	:	The Rules Governing the Listing of Stocks on the SSE
Clinker	:	semi-finished products made in the manufacturing process of cement
Hong Kong	:	Hong Kong Special Administrative Region of the PRC
RMB	:	Renminbi, the lawful currency of the PRC
PRC	:	The People's Republic of China
Articles	:	Articles of Association of the Company

## 2. Corporate Profile and Major Financial Indicators

- (1) **Official Chinese name of the Company** : 安徽海螺水泥股份有限公司  
**Abbreviation in Chinese** : 海螺水泥  
**Official English name of the Company** : ANHUI CONCH CEMENT COMPANY LIMITED  
**Abbreviation in English** : ACC
- (2) **Legal Representative of the Company** : Gao Dengbang
- (3) **Secretary to the Board (Company Secretary)** : Yu Shui  
**Phone number** : 0086 553 8398976  
**Fax number** : 0086 553 8398931  
**Company secretary (Hong Kong)** : Leo P. Y. Chiu  
**Phone number** : 00852 2111 3220  
**Fax number** : 00852 2111 3299  
**Securities Affairs Representative** : Liao Dan  
**Phone number** : 0086 553 8398911  
**Fax number** : 0086 553 8398931  
**E-mail** : dms@chinaconch.com
- (4) **Registered address of the Company** : 39 Wenhua Road, Wuhu City, Anhui Province, the PRC  
**Office address of the Company** : 39 Wenhua Road, Wuhu City, Anhui Province, the PRC  
**Postal code** : 241000  
**Email address of the Company** : dms@chinaconch.com  
**Website of the Company** : <http://www.conch.cn>  
**Contact address in Hong Kong** : 40th Floor, Jardine House, 1 Connaught Place, Central, Hong Kong

## 2. Corporate Profile and Major Financial Indicators

- (5) **Company's designated newspaper for information disclosure** : Shanghai Securities Journal and Securities Times
- Website for publication of this report** : <http://www.sse.com.cn>
- Location where this interim report is available for inspection** : Secretariat to the Board of the Company, SSE
- (6) **Exchange on which the Company's shares are listed:**
- H Shares** : Stock Exchange
- Stock code** : 00914
- Stock name** : Conch Cement
- A Shares** : SSE
- Stock code** : 600585
- Stock name** : Conch Cement
- (7) **International auditors** : KPMG, Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance 8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong
- PRC auditors** : KPMG Huazhen LLP 8th Floor, Tower E2, Oriental Plaza, 1 East Chang An Avenue, Beijing, the PRC
- (8) **H Shares share registrar and transfer office** : Hong Kong Registrars Limited 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong



## 2. Corporate Profile and Major Financial Indicators

### (9) Accounting data prepared in accordance with the PRC Accounting Standards

**Table 1:**

Items	As at 30 June 2020 (RMB'000) (Unaudited)	As at 31 December 2019 (RMB'000)	Increase/ (decrease) over the beginning of the year (%)
Total assets	<b>183,294,568</b>	178,777,182	2.53
Net assets attributable to equity shareholders of the Company	<b>142,982,093</b>	137,361,682	4.09

**Table 2:**

Items	Six months ended 30 June 2020 (RMB'000) (Unaudited)	Six months ended 30 June 2019 (RMB'000) (Unaudited)	Change from that of the corresponding period of the previous year (%)
Net cash flows generated from operating activities	<b>14,561,590</b>	14,504,324	0.39
Operating revenue	<b>74,006,895</b>	71,643,826	3.30
Net profit attributable to equity shareholders of the Company	<b>16,069,245</b>	15,259,702	5.31
Net profit attributable to equity shareholders of the Company after extraordinary items	<b>15,526,697</b>	14,923,484	4.04
Basic earnings per share (RMB/share)	<b>3.03</b>	2.88	5.31
Diluted earnings per share (RMB/share)	<b>3.03</b>	2.88	5.31
Basic earnings per share after extraordinary items (RMB/share)	<b>2.93</b>	2.82	4.04
Weighted average return on net assets (%)	<b>11.18</b>	12.84	Decreased by 1.66 percentage points
Weighted average return on net assets after extraordinary items (%)	<b>10.81</b>	12.56	Decreased by 1.75 percentage points

## 2. Corporate Profile and Major Financial Indicators

**Table 3:**

<b>Extraordinary items for the Reporting Period</b>	<b>Amount</b> (RMB'000) (Unaudited)
(1) Gain/(Loss) on disposal of non-current assets	-18,206
(2) Government subsidy	342,083
(3) Gain/(Loss) on changes in the fair value of financial assets held for trading and gain on disposals of financial assets held for trading and other investments in equity instruments	-21,797
(4) Gain/(Loss) on entrusted investment or asset management	388,735
(5) Entrusted fee income obtained from entrusted operation	11,414
(6) Gain/(Loss) from external entrusted loans	800
(7) Other non-operating income and expenses other than the above items	30,979
(8) Effect of extraordinary items on income tax	-181,111
(9) Effect of extraordinary items on minority interests	-10,349
<b>Total</b>	<b>542,548</b>

### (10) Financial summary prepared in accordance with the International Financial Reporting Standards (“IFRSs”)

<b>Items</b>	<b>Six months ended 30 June 2020 (RMB'000) (Unaudited)</b>	Six months ended 30 June 2019 (RMB'000) (Unaudited)	Change from that of the corresponding period of the previous year (%)
Operating revenue	<b>74,006,895</b>	71,643,826	3.30
Net profit attributable to equity shareholders of the Company	<b>16,086,075</b>	15,281,711	5.26

## 2. Corporate Profile and Major Financial Indicators

	<b>As at 30 June 2020 (RMB'000) (Unaudited)</b>	As at 31 December 2019 (RMB'000)	Increase/ (decrease) over the beginning of the year (%)
Total assets	<b>183,294,568</b>	178,777,182	2.53
Total liabilities	<b>34,645,139</b>	36,646,408	-5.46

### (11) Explanations for differences between consolidated financial statements prepared in accordance with the PRC Accounting Standards and the IFRSs

	Net profit attributable to equity shareholders of the Company		Equity attributable to equity shareholders of the Company	
	Six months ended 30 June 2020 (RMB'000) (Unaudited)	Six months ended 30 June 2019 (RMB'000) (Unaudited)	As at 30 June 2020 (RMB'000) (Unaudited)	As at 31 December 2019 (RMB'000)
As reported in the statutory financial statements prepared in accordance with the PRC Accounting Standards	<b>16,069,245</b>	15,259,702	<b>142,982,093</b>	137,361,682
- Deferral of subsidy income not subject to "China Accounting Standards for Business Enterprises No.16 – Government Subsidy" in accordance with IFRSs	<b>16,830</b>	22,009	<b>-158,450</b>	-175,280
As reported in accordance with IFRSs	<b>16,086,075</b>	15,281,711	<b>142,823,643</b>	137,186,402

### 3. Business Overview of the Company

#### (1) OVERVIEW OF THE CEMENT INDUSTRY

In the first half of 2020, due to the dual impact of the COVID-19 pandemic and the prolonged rainy season, the market demand was suppressed. In the first quarter of the year, the overall cement output dropped significantly. As the epidemic was under effective control domestically, the decline in the growth rate of infrastructure investment and property investment narrowed month by month, and the market demand recovered rapidly in the second quarter of the year. In the first half of the year, national cement output was 998 million tonnes, representing a period-on-period decrease of 4.8%. The price of cement remained at a reasonable level, and industry profits declined slightly due to the decreased output. (Data Source: Digital Cement website)

#### (2) INTRODUCTION OF THE MAIN BUSINESS OF THE COMPANY

During the Reporting Period, the Group was principally engaged in production and sale of cement, commodity clinker and aggregate. According to market demands, the Group's main cement products included 32.5-grade cement, 42.5-grade cement and 52.5-grade cement, which are widely used in construction projects of large-scale national infrastructures such as railways, expressways, airports and hydraulic power as well as development of urban property, cement products and the rural markets.

As part of the basic raw material industry, cement is a regional product as its sales radius is subject to mode of transportation and local cement price, resulting in a sales model different from that of the consumer goods. The Group has adopted a sales model with its focus on direct sales and supplemented by distribution, and has established over 500 marketing departments in the marketplaces where the Company operates across the PRC and overseas, building up a relatively extensive marketing network. Meanwhile, the Group continued to improve its marketing strategy by proactively accelerating the construction or lease of the transfer storages and other landing passageway in the Yangtze River Delta, Pearl River Delta regions as well as the Zhejiang-Fujian coastal areas, and the Group proactively develops its trading business, so as to further improve the market planning and strengthen the control of the market.

During the Reporting Period, the Group continued to optimise its domestic and overseas market planning, steadily accelerated its international development strategy, proactively explored the upstream and downstream industrial chain and steadily implemented its development strategy.

### 3. Business Overview of the Company

#### (3) CHANGES IN THE PRIMARY ASSETS OF THE COMPANY DURING THE REPORTING PERIOD

During the Reporting Period, the Group's balance of trade receivables increased by 62.22% compared with the beginning of the year, mainly attributable to the increase in credit sales business of some subsidiaries. The balance of other receivables decreased by 56.92% as compared with the beginning of the year, which was mainly due to the recovery during the Reporting Period of the financial products subscribed in the previous year. The investment balance of other equity instruments increased by 43.90% as compared with the beginning of the year, mainly attributable to the increase in the fair value of the shares held by the Company during the Reporting Period.

As at the end of the Reporting Period, the overseas assets of the Group was RMB13,665 million, representing 7.46% of its total assets.

#### (4) CHANGES IN CORE COMPETITIVENESS OF THE COMPANY DURING THE REPORTING PERIOD

Since its listing in 1997, the Company has focused on developing and growing its core cement business by promoting independent innovation and technology innovation, facilitating energy conservation and emission reduction technology and developing recycling economy. After over 20 years' constant, healthy and steady development, and by refining internal management, strengthening market construction and promoting technological innovation, the Company has created the unique "Conch Model", and established relatively strong advantages in resources, technology, human resources, funding, market share and brand recognition.

During the Reporting Period, the Group made continuous efforts in enhancing regional market operation, strengthening cost control, increasing investment in safety and environmental protection, and speeding up the construction of factories equipped with digital system, information system and intelligent system, so as to further consolidate and improve its aforesaid competitive advantages, and maintain the core competitiveness of the Group.

## 4. Management Discussion and Analysis on the Operations of the Group

### ANALYSIS ON THE OPERATIONAL CONDITIONS IN THE FIRST HALF OF 2020

#### (1) Overview of operation development

In the first half of 2020, in the face of complex domestic and international situations, the Group strove to overcome the impact of adverse factors such as the COVID-2019 epidemic and the prolonged rainy season and actively promoted the resumption of work and production. The Group proactively seized the opportunities arising from the growth in market demand, captured market demands and stabilized market share. Moreover, the Group made bulk procurement of raw materials and fuel, optimized resource allocation and strengthened indicator management and control over production and operation, leading to continued improvement of operation quality and steady improvement of operating results.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group's revenue amounted to RMB74,007 million, representing an increase of 3.30% from that for the corresponding period of the previous year; the net profit attributable to equity shareholders of the Company amounted to RMB16,069 million, representing an increase of 5.31% from that for the corresponding period of the previous year; and earnings per share was RMB3.03, representing an increase of RMB0.15 per share from that for the corresponding period of the previous year. In accordance with the IFRSs, the revenue amounted to RMB74,007 million, representing an increase of 3.30% from that for the corresponding period of the previous year; the net profit attributable to equity shareholders of the Company amounted to RMB16,086 million, representing an increase of 5.26% from that for the corresponding period of the previous year; and earnings per share was RMB3.04, representing an increase of RMB0.16 per share from that for the corresponding period of the previous year.

During the Reporting Period, the Group steadily pushed forward project constructions and mergers and acquisitions at home and abroad. The clinker project of Tibet Basu Conch Cement Co., Ltd. has entered into its peak stage of construction. After the Company acquired Wuhu South Cement, the production capacity of clinker increased by 4.5 million tonnes and the production capacity of cement increased by 1.6 million tonnes. In terms of overseas development, one clinker line and two cement grinding units of Myanmar Conch (Mandalay) Cement Co., Ltd. have been completed and put into operation. By strengthening its overseas presence and increasing its efforts in market expansion, the overall operating quality of the Group's projects in operation has been persistently improved. Construction and proposed construction projects in regions including Southeast Asia and Central Asia are in orderly progress.

As at the end of the Reporting Period, the Group's production capacity of clinker, cement, aggregates and commercial concrete amounted to 259 million tonnes, 366 million tonnes, 56.80 million tonnes and 3 million cubic meters respectively.

## 4. Management Discussion and Analysis on the Operations of the Group

### (2) Major operational information during the Reporting Period

#### 1. Analysis of revenue and cost

Principal activities by industry, product and region

##### Principal activities by industry

Industry	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Period-on-period change in operating revenue (%)	Period-on-period change in operating cost (%)	Period-on-period change in gross profit margin
Building material industry (sale of self-produced products)	47,123,152	24,741,179	47.50	-3.17	-3.77	Increased by 0.33 percentage point
Building material industry (trading business)	15,359,275	15,325,749	0.22	-22.17	-22.22	Increased by 0.06 percentage point

## 4. Management Discussion and Analysis on the Operations of the Group

Principal activities by product						
Product	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Period-on-period change in operating revenue (%)	Period-on-period change in operating cost (%)	Period-on-period change in gross profit margin
Building material industry (sale of self-produced products) -42.5-grade cement <sup>Note 1</sup>	35,573,757	18,820,204	47.10	8.48	7.78	Increased by 0.34 percentage point
Building material industry (sale of self-produced products) -32.5-grade cement	6,051,336	3,022,175	50.06	-43.84	-44.58	Increased by 0.67 percentage point
Building material industry (sale of self-produced products) -Clinker	4,942,703	2,694,228	45.49	6.98	2.12	Increased by 2.60 percentage points
Building material industry (sale of self-produced products) -Aggregate and carpolite	477,039	139,371	70.78	3.54	-3.57	Increased by 2.15 percentage points
Building material industry (sale of self-produced products) -Commercial concrete	78,317	65,201	16.75	369.60	368.05	Increased by 0.28 percentage point
Building material industry (trading business)	15,359,275	15,325,749	0.22	-22.17	-22.22	Increased by 0.06 percentage point



## 4. Management Discussion and Analysis on the Operations of the Group

### Principal activities by region

Region	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Period-on-period change in operating revenue (%)	Period-on-period change in operating cost (%)	Period-on-period change in gross profit margin
Building material industry (sale of self-produced products) – East China <sup>Note 2</sup>	12,603,770	6,320,509	49.85	-7.38	-7.57	Increased by 0.10 percentage point
Building material industry (sale of self-produced products) – Central China <sup>Note 3</sup>	14,618,766	7,466,578	48.92	-4.60	-5.10	Increased by 0.27 percentage point
Building material industry (sale of self-produced products) – South China <sup>Note 4</sup>	7,825,551	3,962,183	49.37	-1.89	-1.30	Decreased by 0.30 percentage point
Building material industry (sale of self-produced products) – West China <sup>Note 5</sup>	10,646,857	6,043,402	43.24	1.42	-1.40	Increased by 1.63 percentage points
Building material industry (sale of self-produced products) – Export	235,169	164,613	30.00	-35.81	-38.51	Increased by 3.07 percentage points
Building material industry (sale of self-produced products) – Overseas	1,193,039	783,894	34.29	33.63	32.01	Increased by 0.80 percentage point
Building material industry (trading business)	15,359,275	15,325,749	0.22	-22.17	-22.22	Increased by 0.06 percentage point

## 4. Management Discussion and Analysis on the Operations of the Group

Notes:

1. The 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 and Xinjiang, etc.

### Sales by industry

During the Reporting Period, the Group realized an aggregate net sales volume of cement and clinker of 187 million tonnes, representing a period-on-period decrease of 7.60%. Affected by the decrease in net sales volume of cement and clinker and the decrease in composite selling price of products, the revenue generated from principal activities reached RMB62,482 million, representing a period-on-period decrease of 8.65%. The operating cost from principal activities decreased by 11.78% period-on-period to RMB40,067 million. The consolidated gross profit margin of products recorded a period-on-period increase of 2.27 percentage points to 35.87%.

The Group realized a sales volume of self-produced products of cement and clinker of 141 million tonnes, representing a period-on-period decrease of 3.40%. The sales revenue from self-produced products amounted to RMB47,123 million, representing a period-on-period decrease of 3.17%. The cost of sales of self-produced products decreased by 3.77% period-on-period to RMB24,741 million. The consolidated gross profit margin of self-produced products recorded a period-on-period increase of 0.33 percentage point to 47.50%.

The Group's cement and clinker trading business recorded a sales volume of 46 million tonnes, representing a period-on-period decrease of 18.39%. The revenue from the trading business amounted to RMB15,359 million, representing a period-on-period decrease of 22.17%. The cost of the trading business amounted to RMB15,326 million, representing a period-on-period decrease of 22.22%.

## 4. Management Discussion and Analysis on the Operations of the Group

### Sales by type of products

During the Reporting Period, the sales amount of the Group's 32.5-grade cement decreased by 43.84% period-on-period, mainly due to the revision of the national standard for general Portland cement, sales of P.C32.5R Composite Portland cement have been entirely cancelled. The sales amount of commercial concrete increased by 369.60% period-on-period, mainly because the Group's commercial concrete projects have been gradually put into operation.

### Sales by region

During the Reporting Period, except the period-on-period increase in the sales volume and sales amount of products in West China, the sales volume and the sales amount of self-produced products decreased by varying degrees in other regions due to the impact of the COVID-19 epidemic.

**In East China and Central China**, affected by the COVID-19 epidemic and the prolonged rainy weather, the market demand has generally declined, leading to respective period-on-period decreases of 7.38% and 4.60% in sales amount. However, benefitting from the decrease in the cost of products, the gross profit margin increased by 0.10 percentage point and 0.27 percentage point period-on-period respectively.

**In South China**, the sales volume decreased and the sales amount dropped by 1.89% period-on-period. The gross profit margin decreased by 0.30 percentage point period-on-period.

**In West China**, benefitting from the increasing demands for local infrastructure, the price was stable with growth in sales volume, and the sales amount increased by 1.42% period-on-period. The gross profit margin increased by 1.63 percentage points period-on-period.

During the Reporting Period, as the demands in the international market declined due to the impact of the COVID-19 epidemic abroad, the export sales volume of the Company decreased by 41.00% period-on-period and export sales amount dropped by 35.81% period-on-period. With the gradual enhancement of capacity utilization of newly constructed overseas projects and continued improvement of sales network, overseas project companies recorded period-on-period increases of 30.64% and 33.63% in sales volume and sales amount respectively.

## 4. Management Discussion and Analysis on the Operations of the Group

### 2. Profit analysis

Major items in the income statement prepared in accordance with the PRC Accounting Standards

Items	Amount		Change from that of the corresponding period of the previous year (%)
	Six months ended 30 June 2020 (RMB'000) (Unaudited)	Six months ended 30 June 2019 (RMB'000) (Unaudited)	
Revenue from principal activities	62,482,427	68,400,324	-8.65
Profit from operations	21,145,063	20,136,018	5.01
Profit before taxation	21,496,460	20,336,001	5.71
Net profit attributable to equity shareholders of the Company	16,069,245	15,259,702	5.31

During the Reporting Period, due to the decrease in product sales, the revenue from principal activities decreased by 8.65% period-on-period. Affected by the decrease in the cost of products and expenses for the period, the Group's profit from operations, profit before taxation and net profit attributable to equity shareholders of the Company recorded period-on-period increase of 5.01%, 5.71% and 5.31% respectively.

### 3. Analysis of costs and expenses

Consolidated costs of cement and clinker for the six months ended 30 June 2020 and their period-on-period changes

Items	Six months ended 30 June 2020		Six months ended 30 June 2019		Change in unit costs (%)	Change in proportion (percentage points)
	Unit costs (RMB/tonne) (Unaudited)	Percentage (%)	Unit costs (RMB/tonne) (Unaudited)	Percentage (%)		
Raw materials	42.66	24.45	39.09	22.26	9.13	2.19
Fuel and power	92.78	53.17	97.53	55.56	-4.87	-2.39
Depreciation expense	13.44	7.70	12.72	7.25	5.66	0.45
Labor cost and others	25.62	14.68	26.20	14.93	-2.21	-0.25
<b>Total</b>	<b>174.50</b>	<b>100</b>	<b>175.54</b>	<b>100</b>	<b>-0.59</b>	<b>-</b>

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

## 4. Management Discussion and Analysis on the Operations of the Group

During the Reporting Period, the consolidated costs of the Company's cement and clinker of the Company decreased by 0.59% period-on-period, which was mainly affected by the decrease in the cost of raw coal and power.

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 2020 (RMB'000) (Unaudited)	Amount for the six months ended 30 June 2019 (RMB'000) (Unaudited)	As a percentage of revenue from principal activities for the Reporting Period (%)	As a percentage of revenue from principal activities for the same period last year (%)	Change in percentage of revenue from principal activities (percentage points)
Selling expenses	1,791,651	1,983,125	2.87	2.90	-0.03
Administrative expenses	1,772,554	2,165,012	2.84	3.17	-0.33
Research and development expenses	80,537	23,332	0.13	0.03	0.10
Financial expenses (income is stated in negative)	-864,130	-629,723	-1.38	-0.92	-0.46
<b>Total</b>	<b>2,780,612</b>	<b>3,541,746</b>	<b>4.45</b>	<b>5.18</b>	<b>-0.73</b>

During the Reporting Period, the Group's financial expenses decreased by 37.22% period-on-period, mainly due to a period-on-period increase in the Group's deposit interest income.

During the Reporting Period, the Group's selling, administrative, research and development and financial expenses in aggregate as a percentage to revenue generated from principal activities was 4.45%, representing a decrease of 0.73 percentage point period-on-period. The decrease was mainly attributable to a period-on-period decrease in the administrative expense and selling expense and the increase in deposit interest income of the Group. Excluding the effect of trading business income, the Group's selling, administrative, research and development and financial expenses in aggregate as a percentage to revenue generated from principal activities was 5.90%, representing a decrease of 1.38 percentage points period-on-period.

## 4. Management Discussion and Analysis on the Operations of the Group

### 4. Financial position

#### Asset and liability overview

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

Items	As at 30 June 2020 (RMB'000) (Unaudited)	As at 31 December 2019 (RMB'000)	Change as at the end of the Reporting Period as compared to that at the beginning of the year (%)
Fixed assets	61,677,938	58,858,416	4.79
Current and other assets	121,616,630	119,918,766	1.42
Total assets	183,294,568	178,777,182	2.53
Current liabilities	26,082,228	27,421,190	-4.88
Non-current liabilities	8,391,119	9,035,543	-7.13
Total liabilities	34,473,347	36,456,733	-5.44
Minority interests	5,839,128	4,958,767	17.75
Equity attributable to equity shareholders of the Company	142,982,093	137,361,682	4.09
Total liabilities and equity	183,294,568	178,777,182	2.53

As at the end of the Reporting Period, the Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB183,295 million, representing an increase of 2.53% as compared to those at the end of the previous year. Total liabilities amounted to RMB34,473 million, representing a decrease of 5.44% as compared to those at the end of the previous year; of which the current liabilities amounted to RMB26,082 million, representing a decrease of 4.88% as compared to those at the end of the previous year, which was mainly attributable to a decrease in taxes payables; non-current liabilities amounted to RMB8,391 million, representing a decrease of 7.13% when compared with that at the end of last year, which was mainly due to reclassification of long-term borrowings to non-current liabilities due within 1 year based on the repayment term during the Reporting Period. As at 30 June 2020, the Group's gearing ratio calculated in accordance with the PRC Accounting Standards was 18.81%, representing a decrease of 1.58 percentage points as compared to that at the end of the previous year.

## 4. Management Discussion and Analysis on the Operations of the Group

Please refer to note 12 to the financial report prepared in accordance with the PRC Accounting Standards for information on the contingent liabilities of the Group.

As at the end of the Reporting Period, equity attributable to equity shareholders of the Company amounted to RMB142,982 million, representing an increase of 4.09% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB5,839 million, representing an increase of 17.75% as compared to that at the end of the previous year; as at the end of the Reporting Period, net assets per share attributable to equity shareholders of the Company amounted to RMB26.98, representing an increase of RMB1.06 per share as compared to that at the end of the previous year.

As at 30 June 2020, the total current assets and total current liabilities of the Group prepared in accordance with the PRC Accounting Standards amounted to RMB98,855 million and RMB26,082 million respectively, with a current ratio of 3.79:1 (at the end of last year: 3.54:1). The increase in the current ratio as compared to that at the end of last year was mainly due to the increase in current assets including currency capital and trade receivables. The total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB98,967 million and RMB26,082 million respectively; with a net gearing ratio of -0.03 (corresponding period last year: -0.05). Net gearing ratio was calculated as follows: (interest-bearing liabilities minus cash and cash equivalents) divided by shareholders' equity.

### Liquidity and source of funds

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

	<b>As at 30 June 2020 (RMB'000) (Unaudited)</b>	<b>As at 31 December 2019 (RMB'000)</b>
Due within 1 year	<b>5,889,517</b>	3,917,815
Due after 1 year but within 2 years	<b>1,442,381</b>	991,555
Due after 2 years but within 5 years	<b>1,455,910</b>	2,524,737
Due after 5 years	<b>330,000</b>	355,000
<b>Total</b>	<b>9,117,808</b>	7,789,107

## 4. Management Discussion and Analysis on the Operations of the Group

As at the end of the Reporting Period, the Group's aggregate bank borrowings balance was RMB9,118 million, representing an increase of RMB1,329 million as compared to those at the beginning of the year. Please refer to note 8 to the financial report prepared in accordance with the PRC Accounting Standards for information on the borrowings bearing fixed interest rate.

Save for the aforesaid borrowings, the Group had corporate bonds in a principal amount of RMB3.499 billion which would be due after 2 years but within 5 years.

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

### Analysis of cash flow

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

	<b>Six months ended 30 June 2020 (RMB'000) (Unaudited)</b>	Six months ended 30 June 2019 (RMB'000) (Unaudited)	Changes(%)
Net cash flows generated from operating activities	<b>14,561,590</b>	14,504,324	0.39
Net cash flows generated from investment activities	<b>-9,749,425</b>	423,736	-2,400.83
Net cash flows generated from financing activities	<b>-9,805,041</b>	-9,018,218	-8.72
Effect of foreign exchange rate changes on cash and cash equivalents	<b>17,246</b>	2,620	558.25
Net increase in cash and cash equivalents	<b>-4,975,630</b>	5,912,462	-184.15
Balance of cash and cash equivalents at the beginning of the year	<b>22,014,145</b>	9,857,672	123.32
Balance of cash and cash equivalents at the end of the period	<b>17,038,515</b>	15,770,134	8.04



## 4. Management Discussion and Analysis on the Operations of the Group

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to RMB14,562 million, representing a period-on-period increase of RMB57 million, which was mainly due to an increase in the Group's operating revenue during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from investment activities increased by RMB10,173 million as compared to that of the same period last year, mainly due to the increase by the Group of newly added fixed term deposits with a maturity of over three months and the wealth management products during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from financing activities increased by RMB787 million as compared to that of the same period last year, primarily attributable to a period-to-period increase in the payment of cash dividends to shareholders for the previous year by the Group during the Reporting Period.

### (3) Capital expenditure

During the Reporting Period, capital expenditure of the Group amounted to approximately RMB3,930 million, which was primarily used in the construction of cement and clinker production lines of overseas projects, investment in the technology modification in respect of energy conservation and environmental protection for domestic production lines, residual heat generation projects and the construction of aggregate projects, as well as the expenditure in mergers and acquisitions of projects.

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

	<b>As at 30 June 2020 (RMB'000) (Unaudited)</b>	<b>As at 31 December 2019 (RMB'000)</b>
Authorized and contracted for	<b>3,424,116</b>	3,979,444
Authorized but not contracted for	<b>811,374</b>	871,538
<b>Total</b>	<b>4,235,490</b>	4,850,982

## 4. Management Discussion and Analysis on the Operations of the Group

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

During the Reporting Period, the Group proactively prevented foreign exchange fluctuation risk. For overseas construction projects, payment was principally made in local currency, RMB and US dollars. The equipment, fire-resistant tiles and spare parts imported by the Group were mainly settled in US dollars and Euro dollars, while cement and 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 change in the exchange rates of such foreign currencies against RMB will directly affect the project construction costs, material procurement costs and export sales revenues of the Group.

In order to effectively reduce foreign exchange risk to ensure that the risk level is overall under control, the Group made appropriate financing and foreign exchange payment arrangements based on the construction progress of overseas projects by adjusting 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 in which 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 made appropriate allocation of foreign currency assets in active response to the adverse impact from interest rate cuts and exchange rate fluctuations around the globe as a result of the COVID-19 epidemic, reallocated loan funds according to the changes in foreign exchange rates and interest rates, and leveraged swap instruments to hedge foreign exchange risks based on trend of currency exchanges.

## 4. Management Discussion and Analysis on the Operations of the Group

### OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2020, the PRC government will focus on the goal and task of building a well-off society in an all-round way and promote epidemic prevention and control as well as overall economic and social development. Under the premise of normalization of epidemic prevention and control, the government will adhere to the main theme of making steady progress while maintaining stability, continue to embrace new development concepts, insist on the focus on the supply-side structural reform, and deepen reform and opening up. The government will also firmly stick to the strategic basis of expanding domestic demand, vigorously protecting and stimulating the vitality of market players, steadily developing the “six stabilities” (六穩), fully implementing the “six guarantees” (六保), promoting high-quality economic development, and striving to complete the objectives and tasks of economic and social development throughout the year. The government will implement a more proactive and promising fiscal policy, pay attention to effectual results, and implement a more flexible, moderate and precise monetary policy. Infrastructure investment is expected to improve persistently, real estate investment is expected to remain stable, and rigid support for cement demand is expected to continue. In order to win the battle on the environmental front, environmental regulation on air pollution will not be relaxed, and local environmental protection control will see stricter measures. In addition, consistent impact arising from the implementation of policies such as off-peak production and comprehensive mine control is conducive to balancing the supply and demand relationship in the cement industry.

In the second half of the year, the Group is committed to achieving high quality development, in terms of overseas development, the Group will actively and steadily implement its internationalization development strategies, continuously improve quality of the projects under operation, accelerate the construction of contracted projects, further improve the overseas development system and strengthen internal management during the transition period of the epidemic. In terms of domestic development, the Group will focus on the cement business, seize development opportunities, actively seek suitable merger and acquisition targets, and continuously improve the market layout. At the same time, the Group will accelerate the upstream and downstream industrial chain extension, fully promote the implementation of aggregate projects, steadily expand the concrete business, test-drive its venture into prefabricated construction business, and continuously expand the fields of new commercial activities.

## 4. Management Discussion and Analysis on the Operations of the Group

In terms of operation and management, the Group will pay close attention to the changes of macroeconomic situation at home and abroad, focus on epidemic prevention and control regularly, and put its full effort on business management. It will conduct in-depth study on market supply and demand, coordinate optimization of resource allocation, reasonably grasp the pace of production and sales, strengthen the terminal market construction; continue to promote traceability and source control, deepen strategic cooperation with large coal enterprises, broaden the resource supply channels via long-term agreement, and reduce procurement costs. In an effort to comply with the state's decision to plan for ecological civilization construction, the Group will continue to carry out technological modification on energy conservation and environmental protection, accelerate the transformation of innovation achievements and promote the application of scientific and technological innovation projects. It will carry out informatization construction strongly, step up efforts to push forward with the construction and application of smart factories, and continuously strengthen its core competitiveness. The Group will continue to carry out organizational structure optimization and the development of talent echelon, stimulate the innovation and creativity of talents with an aim to promote high-quality development.

## 5. Report of the Directors

### (1) PRINCIPAL INVESTMENTS DURING THE REPORTING PERIOD

#### 1. Establishment of and changes of capital in subsidiaries during the Reporting Period

- (1) In January 2020, the Company and Wuhu Global Smart Technology Co., Ltd. (蕪湖格陸博智能科技有限公司) (hereinafter referred to as “Wuhu Global Company”) jointly invested in and established Anhui Haibo Smart Technology Co., Ltd. (安徽海博智能科技有限責任公司) with a registered capital of RMB30 million, of which the Company contributed RMB18 million, accounting for 60% of its registered capital; and Wuhu Global Company contributed RMB12 million, accounting for 40% of its registered capital.
- (2) In February 2020, Conch HK, a wholly-owned subsidiary of the Company, and Indonesia International Trade Conch jointly invested in and established PT. Conch North Sulawesi Mine (北蘇海螺礦山有限公司) with a registered capital of US\$1 million, of which Indonesia International Trade Conch contributed US\$990,000, accounting for 99% of its registered capital; and Conch HK contributed US\$10,000, accounting for 1% of its registered capital.
- (3) In February 2020, Conch HK and Indonesia International Trade Conch jointly invested in and established PT. Conch East Kalimantan Mine (東加海螺礦山有限公司) with a registered capital of US\$1 million, of which Indonesia International Trade Conch contributed US\$990,000, accounting for 99% of its registered capital; and Conch HK contributed US\$10,000, accounting for 1% of its registered capital.
- (4) In April 2020, Anhui Jiangbei Haizhong Construction Trading Co., Ltd. (安徽江北海中建材貿易有限公司) (hereinafter referred to as “Jiangbei Haizhong”), a majority-owned subsidiary of the Company, acquired 51% of the equity interest in Wuhu South Cement held by Shanghai South Cement Company Limited (上海南方水泥有限公司) (hereinafter referred to as “Shanghai South Cement”) through public auction. The remaining 49% of the equity interest of Wuhu South Cement was still held by Shanghai South Cement. Wuhu South Cement has a registered capital of RMB300 million. Its annual production capacity of clinker and cement is 4.5 million tonnes and 1.6 million tonnes, respectively.

## 5. Report of the Directors

- (5) In April 2020, the Company and Tongling Comprehensive Traffic Investment Group Corporation Limited (銅陵市綜合交通投資集團有限公司) (hereinafter referred to as “Tongling Traffic Investment”) jointly invested in and established Tongling Conch New Material Co., Ltd. (銅陵海螺新材料有限責任公司) with a registered capital of RMB25 million, of which the Company contributed RMB17.5 million, accounting for 70% of its registered capital; and Tongling Traffic Investment contributed RMB7.5 million, accounting for 30% of its registered capital.
- (6) During the Reporting Period, the Company increased the capital of the following subsidiaries, and the amounts of capital increased are as follows:

Name of companies	Capital contributed by the Company	Enlarged registered capital	The Company's shareholding upon the capital increase
Conch HK	US\$116.85 million	US\$200 million	100%
North Sulawesi Conch	US\$30 million	US\$80 million	100%
Vientiane Conch Cement Co., Ltd.	US\$3.75 million	US\$15 million	75%
Qarshi Conch Cement Foreign Enterprise Co., Ltd.	US\$18 million	US\$42 million	100%

There was no change in shareholding percentage of the Company in the above subsidiaries before and after the capital contribution.

- (7) China-Myanmar (Wuhu) International Trade Co., Ltd. (中緬(蕪湖)國際貿易有限公司) (hereinafter referred to as “China-Myanmar Company”) is a joint venture established by the Company and GAO SHENG GROUP PTE. LTD (a company registered in Singapore, hereinafter referred to as “GAO SHENG Group”) in October 2014, with a registered capital of US\$90 million, of which the Company holds 45% equity interest and GAO SHENG Group holds 55% equity interest. During the Reporting Period, in order to revitalize the capital stock and improve the efficiency of capital use, the Company and GAO SHENG Group jointly reduced the capital of China-Myanmar Company, whereby the Company reduced its capital contribution by US\$11.25 million and GAO SHENG Group reduced its capital contribution by US\$13.75 million. After the capital reduction, the registered capital of China-Myanmar Company was US\$65 million, and the shareholding ratio of both parties remain unchanged.

## 5. Report of the Directors

### 2. Shareholding in other listed companies and trading of shares of other listed companies

During the Reporting Period, in order to realize investment gains, the Company reduced its share holding in Xinli Finance by 5,133,600 shares, representing 1% of its issued shares, through centralized bidding; after the share holding reduction, the Company held 31,197,800 shares in Xinli Finance, representing 6.08% of the issued shares of Xinli Finance.

As at the end of the Reporting Period, the Group's shareholdings in other listed companies are set out as follows:

Stock code	Short name	Initial investment costs (RMB)	Percentage of shareholding at the beginning of the Reporting Period (%)	Percentage of shareholding at the end of the Reporting Period (%)	Carrying amount as at the end of the Reporting Period (RMB)	Profit/loss recognized during the Reporting Period (RMB)
600318	Xinli Finance	45,209,210	7.08	6.08	397,459,972	-
2233	WCC	1,449,828,915	21.11	21.11	2,150,989,061	160,966,212
<b>Total</b>		<b>1,495,038,125</b>	<b>-</b>	<b>-</b>	<b>2,548,499,033</b>	<b>160,966,212</b>

Note: The shares held by the Group in Xinli Finance were recognized as "other investments in equity instruments", while the shares in WCC were recognized as "long-term equity investments".

### 3. Major investments during the Reporting Period

During the Reporting Period, the Group did not have major investment project with a total investment amount exceeding 10% of the audited net assets of the Company of the previous year. For details of the investment projects of the Group during the Reporting Period, please refer to the paragraph headed "(1) Overview of Operation Development" under the section headed "Analysis on the Operational Conditions for the First Half of 2020" in Chapter 4 "Management Discussion and Analysis on the Operations of the Group" in this report as well as note 5 and 16 to the financial statements prepared in accordance with the PRC Accounting Standards.

### 4. Principal majority-owned subsidiaries and invested companies

As at the end of the Reporting Period, the Company had 170 majority-owned subsidiaries, 8 jointly-controlled entities and 1 associated entity. During the Reporting Period, there was no single subsidiary or invested company in which the Company's share of its net profit or investment income accounted for more than 10% of the net profit of the Company.

## 5. Report of the Directors

### 5. Financial entrustment

In light of the Company's daily fund arrangements and unutilized fund situation and in order to ensure full utilization of the idle fund after taking into consideration of capital safety and return rate, the Company allocated part of its funds for financial entrustment, the details of financial entrustment made and maintained during the Reporting Period are as follows:

Trustee	Inception date	Expiry date	Product name	Amount (RMB in hundred million)	Expected Annualized return rate	Status of Recovery	Actual gain (RMB in ten thousand)
Bank of Communications, Wuhu Branch	20 March 2019	19 March 2020	"Win to Fortune" fixed-term structured deposit products	20	4.50%	Recovered	9,000.00
Huishang Bank, Wuhu Beijing Road Sub- branch	17 April 2019	16 April 2020	Smart financial management "Chuangying" series – Huifu fixed income net value financial management products	50	4.60%	Recovered	23,000.00
Huishang Bank, Wuhu Beijing Road Sub- branch	24 June 2019	23 June 2020	Smart financial management "Chuangying" series – Huifu fixed income net value financial management products	20	4.58%	Recovered	9,160.00
Huishang Bank, Wuhu Beijing Road Sub- branch	27 September 2019	29 June 2020	Smart financial management "Chuangying" series – Huifu fixed income net value financial management products	10	4.40%	Recovered	3,327.12
Huishang Bank, Wuhu Beijing Road Sub- branch	27 September 2019	24 September 2020	Smart financial management "Chuangying" series – Huifu fixed income net value financial management products	15	4.55%	Not yet expired	/
CCB Wealth Management Co., Ltd.	17 October 2019	16 July 2020	CCB Wealth "Pengxin" closed-end wealth management product 2019 Tranche 1	40	4.61%	Recovered	13,842.80
CCB Wealth Management Co., Ltd.	20 December 2019	18 December 2020	CCB Wealth "Pengxin" closed-end wealth management product 2019 Tranche 19	7	4.71%	Not yet expired	/
China Construction Bank, Wuhu Huangshan Road Sub-branch	23 December 2019	17 June 2020	"Qianyuan Textiangxing" Wealth Management Product 2019 Tranche 32	10	3.95%	Recovered	1,915.48



## 5. Report of the Directors

Trustee	Inception date	Expiry date	Product name	Amount (RMB in hundred million)	Expected Annualized return rate	Status of Recovery	Actual gain (RMB in ten thousand)
Agricultural Bank, Wuhu Jinqiao Sub-branch	24 December 2019	18 December 2020	"Anxindeli·Dayou" close – ended net worth RMB denominated wealth management product	13	3.85%	Not yet expired	/
CCB Wealth Management Co., Ltd.	21 April 2020	21 April 2021	CCB Wealth "Pengxin" closed-end wealth management product 2020 Tranche 29	30	4.25%	Not yet expired	/
Agricultural Bank, Wuhu Jinqiao Sub-branch	29 May 2020	28 May 2021	"Anxindeli·Dayou" close – ended net worth RMB denominated wealth management product	4	3.70%	Not yet expired	/
Bank of China, Wuhu Sub-branch	29 May 2020	28 May 2021	Zhong Yin Stable Wealth Management Plan – Zhi Hui Series Tranche 208564	4	3.70%	Not yet expired	/
CCB Wealth Management Co., Ltd.	2 June 2020	2 June 2021	CCB Wealth "Pengxin" closed-end wealth management product 2020 Tranche 35	12	4.26%	Not yet expired	/
CCB Wealth Management Co., Ltd.	17 June 2020	17 June 2021	CCB Wealth "Pengxin" closed-end wealth management product 2020 Tranche 34	20	4.56%	Not yet expired	/

During the Reporting Period, the Company had no overdue unrecoverable financial entrustment.

## 5. Report of the Directors

### (2) IMPLEMENTATION OF THE 2019 PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY

On 29 May 2020, the profit distribution proposal for the year 2019 was considered and approved at the 2019 annual general meeting of the Company (“2019 Annual General Meeting”). On the basis of 5,299,302,579 shares being the total share capital of the Company as at 31 December 2019, the Company paid all the shareholders of the Company a cash dividend of RMB2.0 (tax inclusive) per share, totaling RMB10,598,605,158 (tax inclusive). As at the end of the Reporting Period, the above dividend was paid to all the shareholders whose names appeared in the register of members of the Company on the relevant record date.

### (3) INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend or the transfer of surplus reserve to share capital for 2020.

## 6. Significant Events

### (1) CORPORATE GOVERNANCE

Since the listing of the Company on the Stock Exchange and the SSE in 1997 and 2002 respectively, the Company has been continuously improving its corporate governance structure, perfecting the internal management and control systems and regulating its operation in accordance with the relevant domestic and overseas listing rules and regulatory requirements. General meeting of the Company, the Board and the Supervisory Committee have clearly defined power and duties, each assuming and performing its specific responsibilities and making its own decisions in an independent, efficient and transparent manner.

The general meeting is the body with the highest authority in the Company and operates in accordance with the Rules of Procedures of General Meeting. During the Reporting Period, the Company's legal advisers as to the PRC law were present in witness of the convention of general meetings of the Company and provided legal advice in connection with its convention to ensure that decision-making procedures and contents of general meetings are legal and valid and that shareholders of the Company can fully exercise their own rights. On 29 May 2020, the Company convened the 2019 Annual General Meeting. Please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 29 May 2020, and the announcement published by the Company on the website of the SSE on 30 May 2020 for the voting results of the resolutions at the general meeting.

The Board is the decision-making body for business operation of the Company, which is accountable to the shareholders in general meeting. It operates in accordance with the Articles and the Rules of Procedures of Board Meeting. The Directors of the Company organize and implement the resolutions of the general meeting in a diligent, prudent and responsible manner through decisions in scientific approach to facilitate the healthy and sound development of the Company.

The Supervisory Committee is a monitoring body of the Company, accountable to the shareholders in general meeting. It operates in accordance with the Rules of Procedures of Supervisory Committee. The Supervisors effectively monitor the performance of duties of the Directors and senior management and the legal compliance in the Company's operations.

### (2) AUDIT COMMITTEE

The Audit Committee has been established by the Company. The terms of reference adopted by the Audit Committee complied with all the applicable code provisions (the "Code Provisions") set out in Appendix 14 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 the giving of advice and recommendations to the Board of the Company. This interim report of 2020 of the Company has been reviewed by the Audit Committee.

## 6. Significant Events

### (3) COMMITMENTS

Commitment by shareholders: In 2007, the Company issued A Shares to CV Investment as consideration for the purchase of the relevant assets of CV Investment. CV Investment has made the following undertakings in relation to the shareholders' rights arrangements in respect of the shares held: except the rights of a shareholder of a proprietary nature (including but not limited to rights to receive dividends), CV Investment will forgo all of its other shareholder's rights of the Company such as rights to vote, nominate and elect Directors/Supervisors of the Company, so long as it holds the Company's shares. During the Reporting Period, CV Investment has complied with the above undertakings.

### (4) ANALYSIS AND EXPLANATION ON REASONS AND IMPACT OF CHANGES IN THE ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

During the Reporting Period, there were no new accounting policies issued or implemented by the Company.

### (5) MATERIAL LITIGATION, ARBITRATION AND NEGATIVE MEDIA INQUIRY

During the Reporting Period, the Group was not involved in any material litigation, arbitration or negative media inquiry which might have a material impact on the Group's business operation and management, nor were any of the current Directors, Supervisors and members of senior management of the Company involved in any material litigation or arbitration.

### (6) EVENTS REGARDING INSOLVENCY AND RESTRUCTURING

During the Reporting Period, there was no event regarding insolvency or restructuring of the Group.

### (7) ACQUISITIONS AND DISPOSALS OF MATERIAL ASSETS

During the Reporting Period, there was no acquisition and disposals of the Group's material assets.

### (8) STOCK OPTION INCENTIVE SCHEME

During the Reporting Period, the Group did not formulate and implement any stock option incentive scheme.

## 6. Significant Events

### (9) CONNECTED (OR RELATED PARTY) TRANSACTIONS

During the Reporting Period, the Group entered into the following significant connected (or related party) transactions under the SSE Listing Rules and the HKSE Listing Rules:

#### 1. Connected (or related party) transactions or continuing connected (or related party) transactions related to daily operations

##### (1) Use of trademarks

On 23 September 1997, the Company and Conch Holdings, being its controlling shareholder, entered into a trademark licensing agreement (“Trademark Licensing Agreement”), pursuant to which the Company has been granted a license to use certain permitted trademarks (including trademarks of “海螺” and “CONCH”) on permitted products in permitted regions for the period as set out in the Trademark Licensing Agreement. The validity period of the Trademark Licensing Agreement is provided to be the same as the validity period of the permitted trademarks, and where the validity period of the permitted trademarks is extended, the validity period of the Trademark Licensing Agreement in respect of the trademarks would be extended automatically. On 22 March 2018, the Company and Conch Holdings entered into a supplemental agreement to the Trademark Licensing Agreement, pursuant to which it was agreed that the annual fees paid by the Company to Conch Holdings in respect of the use of the trademarks consist of fixed license fee and variable license fee, of which the fixed license fee is RMB15 million per annum, and the variable license fee is a license fee for the use of the permitted trademarks by the companies (not being wholly-owned subsidiaries of the Company) in which the Company holds not less than 20% shares, equity interest or registered capital, at an amount to be determined according to the sales volume of cement and clinker.

During the Reporting Period, the fees paid by the Company to Conch Holdings in respect of the use of the trademarks amounted to RMB27,610,600. Pursuant to the HKSE Listing Rules and the SSE Listing Rules, no announcements were required to be made in respect of such connected (or related party) transaction, nor was such connected (or related party) transaction subject to the independent shareholders’ approval requirement.

## 6. Significant Events

### (2) *Transaction with Jiangsu Conch Building Materials – sale of cement*

On 31 December 2019, the Company and Jiangsu Conch Building Materials entered into the sale and purchase of cement contract, valid from 1 January 2020 to 31 December 2020. As stipulated in the sale and purchase of cement contract, certain subsidiaries of the Company located in East China would sell a total of approximately 6 million tonnes of cement products to Jiangsu Conch Building Materials with an aggregate contract price not exceeding RMB2.5 billion.

The price under the sale and purchase of cement contract signed by the Company and Jiangsu Conch Building Materials was determined with reference to the factory/freight on board prices and the prevailing market price of relevant cement products and was negotiated and agreed between the parties on arm's length basis after taking full account of factors such as the seasonal factors of cement prices, historical product prices and market conditions.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the sale and purchase of cement contract was RMB1,474 million.

Jiangsu Conch Building Materials is a non-wholly owned subsidiary of the Company, which is owned as to 51% by the Company and 49% by Conch Profiles and Science. Conch Profiles and Science is a subsidiary of Conch Holdings, the controlling shareholder of the Company. Accordingly, Conch Profiles and Science is an associate of Conch Holdings and hence a connected person of the Company. According to Chapter 14A of the HKSE Listing Rules, Jiangsu Conch Building Materials is a connected subsidiary of the Company and thereby a connected person of the Company, and the transactions under the sale and purchase of cement contract constitute continuing connected transactions of the Company. For details, please refer to the announcement published by the Company on the website of the Stock Exchange and the website of the Company on 31 December 2019. According to the SSE Listing Rules, Jiangsu Conch Building Materials is not a related party of the Company.

### (3) *Transactions with Conch New Materials Company – procurement of grinding aids*

On 14 January 2020, the Company and Conch New Materials Company entered into the procurement of cement admixtures (grinding aids) contract (the "2020 Grinding Aids Procurement Contract"), with a validity period from the date of the contract to 31 December 2020. As stipulated in the contract, the Group shall procure cement grinding aids from Conch New Materials Company with an aggregate contract price not exceeding RMB800 million.

## 6. Significant Events

On 14 February 2019, the Company entered into the cement grinding aids procurement contract (“2019 Grinding Aids Procurement Contract”) with Conch New Materials Company in respect of procurement of cement grinding aids, with a validity period from the date of the contract to 31 December 2019. As stipulated in the contract, the Group shall procure cement grinding aids from Conch New Materials Company with an aggregate contract price not exceeding RMB840 million. The terms of the 2020 Grinding Aids Procurement Contract were negotiated between the parties after the expiry of the 2019 Grinding Aids Procurement Contract and was a new agreement signed between the parties. Certain terms (including the basis for determination of the contract price) contained in the 2020 Grinding Aids Procurement Contract were different from those in the 2019 Grinding Aids Procurement Contract, therefore, the 2020 Grinding Aids Procurement Contract was not a renewed or extended agreement of the 2019 Grinding Aids Procurement Contract. However, as similar products (i.e. grinding aids products) were to be purchased from the same counterparty (i.e. Conch New Materials Company), in the course of negotiation of the contract price of the 2020 Grinding Aids Procurement Contract, reference was made to the contract price and the historical transaction amount under the 2019 Grinding Aids Procurement Contract.

After negotiations between the parties, in view of the fact that the Company is an important customer of Conch New Materials Company, hence as compared to independent third-party customers, the Company can enjoy certain price concessions. The price of 2020 Grinding Aids Procurement Contract could enjoy a certain proportion of downward price adjustment based on the price of grinding aid products purchased by the Group from Conch New Materials Company in 2019 (the then price in 2019 was determined according to public bidding). In addition, in order to protect the rights and interests of the parties, during the contract period, the parties will adjust the purchase price on a quarterly basis based on the market price fluctuations (if there are any major changes) of key raw materials for the production of grinding aids, but the transaction price throughout the year will strictly follow the “Two Not Higher Than” principle, that is, not higher than the price of similar products sold by Conch New Materials Company to independent third-party customers over the same period and not higher than the price of similar products purchased by the Group from independent third-party suppliers.

During the Reporting Period, the actual transaction amount under the 2020 Grinding Aids Procurement Contract (inclusive of tax) was RMB394 million.

## 6. Significant Events

Conch Holdings, the Company's controlling shareholder, holds 100% shares in Conch Investment Company. Conch Investment Company holds 50.72% shares in Conch New Materials Company. Therefore, Conch New Materials Company is an associate of Conch Holdings, and thereby a connected person of the Company and the transactions contemplated under the 2020 Grinding Aids Procurement Contract constituted connected transactions of the Company under the HKSE Listing Rules. According to the SSE Listing Rules, Conch New Materials Company is also a connected party of the Company and the transactions contemplated under the 2020 Grinding Aids Procurement Contract constituted connected transactions under its definition. For details, please refer to the announcements and supplemental announcement published by the Company on the website of the Stock Exchange and the website of the Company on 14 January 2020 and 20 January 2020 respectively, and on the website of SSE on 15 January 2020 and 21 January 2020 respectively.

### 2. Engineering design and technical services for projects

Upon approval by the Board of the Company, on 10 March 2020, the Company and Conch Design Institute entered into the engineering project design and technology service contract (hereinafter referred to as the "2020 Engineering Project Design Contract"), pursuant to which Conch Design Institute shall provide certain subsidiaries of the Company with services including engineering design and technology transformation for the clinker production lines, cement grinding system, aggregate and commodity concrete projects. The contract price was RMB166.1 million.

On 1 March 2019, the Company and Conch Design Institute entered into the engineering design and technology service contract (hereinafter referred to as the "2019 Engineering Project Design Contract"). The 2020 Engineering Project Design Contract was a new agreement entered into by the Company and Conch Design Institute. Certain terms (including the scope of design) included in such contract were different from those in the 2019 Engineering Project Design Contract, and the identity of certain subsidiaries of the Company being service recipients were also different. Accordingly, the 2020 Engineering Project Design Contract was not the renewal or extension agreement of the 2019 Engineering Project Design Contract. However, as similar services were procured from the same party (i.e. Conch Design Institute), in the course of negotiation of the contract price of the 2020 Engineering Project Design Contract, reference was made to the contract price and historical transaction amount of the 2019 Engineering Project Design Contract.



## 6. Significant Events

The contract price of the 2020 Engineering Project Design Contract was determined with reference to the Provisions for the Management of Engineering Survey Design Charges (Pricing Scale Document [2002] No.10) (《工程勘察設計收費管理規定》(計價格[2002]10號)) and Engineering Survey Design Fee Standard (《工程勘察設計收費標準》) promulgated by National Development and Reform Commission of the PRC and the Ministry of Construction of the PRC; and Provisional Provisions for the Early Stage Engineering Consulting Charges for Construction Projects (Pricing Scale [1999] No.1283) (《建設項目前期工作諮詢收費暫行規定》(計價格[1999]1283號)) promulgated by National Development and Reform Commission of the PRC, as well as the project scale, investment amount, scope of design, technology standards, the prevailing market prices for provision of similar services, and the price and the actual transaction amount of similar transactions between the Company and Conch Design Institute in 2019 and agreed between both Company and Conch Design Institute on the basis of equality and mutual benefit.

During the Reporting Period, the transaction amount (inclusive of tax) in relation to the execution of the above-mentioned 2020 Engineering Project Design Contracts alone was RMB76,493,700. If taking into account the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) of the Company with Conch Design Institute during the Reporting Period amounted to RMB90,245,300.

Conch Design Institute is a wholly-owned subsidiary of Conch Holdings, a controlling shareholder of the Company. Pursuant to the HKSE Listing Rules, Conch Design Institute is an associate of Conch Holdings and therefore is a connected person of the Company, the transactions contemplated under the 2020 Engineering Project Design Contract constituted connected transactions of the Company. Pursuant to the SSE Listing Rules, Conch Design Institute is also a connected party of the Company and the transactions under the above contracts also constituted connected transactions under its definition. As the contract price of such contract is less than 0.5% of the Company's latest audited net asset value, an ad hoc announcement was not required to be published by the Company for the said transactions under the SSE Listing Rules. Please refer to the announcement of the Company published on the websites of the Stock Exchange and the Company on 10 March 2020 for further details.

### 3. EQUIPMENT SUPPLY AND SOFTWARE DESIGN SERVICE

Upon approval by the Board of the Company, on 18 June 2020, the Company and Conch IT Engineering entered into the intelligent factory project equipment supply and software design contract, pursuant to which, Conch IT Engineering shall supply equipment and provide software design services for the intelligent factory projects of some of the Company's subsidiaries. The total contract amount was RMB328.3 million.

## 6. Significant Events

The equipment supply and software design services provided under the intelligent factory project equipment supply and software design contract were developed and customized by Conch IT Engineering according to the actual needs for the construction of intelligent factories of certain subsidiaries of the Company. The contract price was determined mainly on a cost plus reasonable profit margin basis with reference to similar services and products provided by Conch IT Engineering to its other customers, and was agreed by both parties after arm's length negotiation. Among them, the cost of software and hardware systems was determined through open tender or with reference to the market price of similar products. The profit margin was determined mainly with reference to the standard fee rates for system integration fee and project management fee in accordance with China's national standards under the Construction Project Quantity List Pricing Specification (GB50500-2013) (《建設工程工程量清單計價規範》) and those stipulated by the Central Government Procurement Center (中央國家機關政府採購中心). The basic rate which is within the ranges of the standard fee rates is 10% of the cost of software and hardware systems of the project. In view of prior cooperation between the Company and Conch IT Engineering, after negotiations between the Parties, the profit margin of certain project systems will be subject to appropriate downward adjustment below the 10% basic rate. The overall profit margin charged by Conch IT Engineering will not be higher than 10% of the project system cost.

During the Reporting Period, for the execution of the above-mentioned intelligent factory project equipment supply and software design contract alone, the Group paid RMB26,061,600 as payment in advance according to the contract during the Reporting Period. In addition, pursuant to the relevant contracts entered into in previous years, the accumulated transaction amounts of the Group with Conch IT Engineering during the Reporting Period amounted to RMB47,207,300.

Conch IT Engineering is a wholly-owned subsidiary of Conch Holdings. Pursuant to the HKSE Listing Rules, Conch IT Engineering is an associate of Conch Holdings and therefore is the connected person of the Company. The transactions contemplated under the intelligent factory project equipment supply and software design contract constitute connected transactions of the Company. Pursuant to the SSE Listing Rules, Conch IT Engineering is also a connected party of the Company and the transactions under the intelligent factory project equipment supply and software design contract also constituted connected transactions of the Company. As the contract amount is less than 0.5% of the Company's latest audited net asset value, an ad hoc announcement was not required to be published by the Company for the said transactions under the SSE Listing Rules. Please refer to the announcement of the Company published on the websites of the Stock Exchange and the Company on 18 June 2020 for further details.

## 6. Significant Events

### (10) MATERIAL CONTRACTS

1. The Group was not involved in any material entrustment, contracting or leasing of assets of other companies, nor were any other companies involved in any entrustment, contracting or leasing of assets of the Company during the Reporting Period or during the previous periods but subsisting in the Reporting Period.
2. **Guarantees**

During the Reporting Period, all the external guarantees of the Company were in compliance with the approval procedures of the Board and/or the general meeting, and the aggregate amount of guarantees provided by the Company to its controlling subsidiaries was RMB495.57 million, all being guarantees for collateral liabilities, the details of which are as follows:

No.	Guaranteed company	Shareholding proportion of the Company	Amount guaranteed by the Company (ten thousand)	Guaranteed period	Date of guarantee contract	Name of creditor
1	North Sulawesi Conch	100%	49,557 (US\$70 million)	1 year	12 June 2020	Jakarta Branch, Bank of China
<b>Total</b>			<b>49,557 (US\$70 million)</b>			

During the Reporting Period, the aggregate new guarantees provided by the Company for its subsidiaries with a gearing ratio of over 70% was RMB495.57 million. Except for the guarantees for the bank loans as set out in the table above, the Company provided guarantees of RMB1,091.14 million, RMB20 million and RMB707.95 million respectively for the trade finance facilities granted to Shanghai Conch Construction Material International Trading Co., Ltd., Wuhu Southeast Asia International Trading Co., Ltd. and Conch HK.

As at the end of the Reporting Period, the aggregate balance of external guarantees provided by the Company (including those provided for its subsidiaries and joint ventures) was RMB10,378.64 million (including RMB5,164.65 million and USD736.49 million), representing 7.26% of the net assets of the Group as at the end of the Reporting Period. Among which, the aggregate balance of the guarantees provided to its subsidiaries was RMB9,352.17 million and that for its joint ventures was RMB1,026.47 million.

## 6. Significant Events

As at the end of the Reporting Period, save for the guarantees provided for two joint ventures, namely, Myanmar Conch Cement Company Limited and PT SDIC Papua Cement Indonesia, the Company did not provide any other guarantee for its controlling shareholder, de facto controllers, other related parties and any entities which are not legal persons or individuals. Save for the guarantees as disclosed above, the Group did not provide any other guarantees or pledges, nor did the Group have any other significant contingent liabilities.

### **(11) PENALTIES AND/OR REMEDIES IN RELATION TO THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER**

During the Reporting Period, none of the Company, its existing Directors, Supervisors, senior management, controlling shareholder and de facto controller was subject to any penalties by the relevant authorities.

### **(12) INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLER**

During the Reporting Period, there was no unenforced effective judgment of court, and no default in payment of outstanding due debt of relatively large amount by the Company, its controlling shareholder and de facto controller.

## 6. Significant Events

### (13) ENVIRONMENTAL PROTECTION AND WASTE DISCHARGE OF THE GROUP

#### 1. Discharge information of key pollutant discharge units

As at the end of the Reporting Period, 66 subsidiaries and branch companies of the Group were included in the List of Key Pollutant Discharging Units by the environmental protection departments. Details of the major pollutants discharged during the production process by such companies are set out in the below table:

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
1	Ningguo Cement Plant of Anhui Conch Cement Company Limited	Sulfur dioxide	Organised	3	Kiln tail	38.55	GB4915-2013	198.54	500.00	No
		Nitrogen oxides	Organised	3	Kiln tail	278.01	GB4915-2013	1,154.24	3,985.00	No
		Particulate matter	Organised	6	Kiln head and tail	8.34	GB4915-2013	55.71	505.16	No
		Particulate matter	Organised	181	General discharge outlet	9.00	GB4915-2013	17.72	206.06	No
2	Anhui Tongling Conch Cement Co., Ltd.	Sulfur dioxide	Organised	5	Kiln tail	3.59	GB4915-2013	53.86	7,095.00	No
		Nitrogen oxides	Organised	5	Kiln tail	181.01	GB4915-2013	2,525.94	14,190.00	No
		Particulate matter	Organised	10	Kiln head and tail	7.00	GB4915-2013	135.99	2,411.00	No
		Particulate matter	Organised	376	General discharge outlet	7.36	GB4915-2013	2.68		No
3	Baimashan Cement Plant of Anhui Conch Cement Company Limited	Sulfur dioxide	Organised	2	Kiln tail	2.07	GB4915-2013	4.65	956.25	No
		Nitrogen oxides	Organised	2	Kiln tail	156.22	GB4915-2013	422.77	1,900.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.39	GB4915-2013	33.45	292.20	No
		Particulate matter	Organised	112	General discharge outlet	4.59	GB4915-2013	6.71		No
4	Anhui Digang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	4	Kiln tail	14.78	GB4915-2013	143.24	3,075.00	No
		Nitrogen oxides	Organised	4	Kiln tail	179.40	GB4915-2013	1,765.60	6,150.00	No
		Particulate matter	Organised	8	Kiln head and tail	4.36	GB4915-2013	67.93	793.60	No
		Particulate matter	Organised	158	General discharge outlet	5.80	GB4915-2013	11.90	360.70	No
5	Anhui Zongyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	5	Kiln tail	0.68	GB4915-2013	23.97	4,950.00	No
		Nitrogen oxides	Organised	5	Kiln tail	148.41	GB4915-2013	2,150.00	9,900.00	No
		Particulate matter	Organised	10	Kiln head and tail	6.16	GB4915-2013	112.20	1,579.82	No
		Particulate matter	Organised	171	General discharge outlet	6.86	GB4915-2013	13.54		No
6	Anhui Chizhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	7	Kiln tail	2.93	GB4915-2013	51.80	6,270.00	No
		Nitrogen oxides	Organised	7	Kiln tail	169.00	GB4915-2013	2,683.63	12,540.00	No
		Particulate matter	Organised	14	Kiln head and tail	8.24	GB4915-2013	170.24	1,617.66	No
		Particulate matter	Organised	228	General discharge outlet	7.46	GB4915-2013	42.38	418.13	No
7	Anhui Huaining Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	39.10	GB4915-2013	123.82	1,550.00	No
		Nitrogen oxides	Organised	2	Kiln tail	163.69	GB4915-2013	656.83	3,100.00	No
		Particulate matter	Organised	4	Kiln head and tail	8.53	GB4915-2013	50.10	399.90	No
		Particulate matter	Organised	142	General discharge outlet	4.33	GB4915-2013	13.87	221.88	No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
8	Anhui Xuancheng Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	17.17	GB4915-2013	80.39	1,125.00	No
		Nitrogen oxides	Organised	2	Kiln tail	172.78	GB4915-2013	785.27	3,100.00	No
		Particulate matter	Organised	5	Kiln head and tail	6.88	GB4915-2013	47.26	617.48	No
		Particulate matter	Organised	120	General discharge outlet	3.31	GB4915-2013	6.62		No
9	Wuhu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	6	Kiln tail	42.90	GB4915-2013	898.87	3,460.00	No
		Nitrogen oxides	Organised	6	Kiln tail	167.97	GB4915-2013	3,682.04	11,072.00	No
		Particulate matter	Organised	12	Kiln head and tail	4.67	GB4915-2013	127.11	1,501.66	No
		Particulate matter	Organised	332	General discharge outlet	4.16	GB4915-2013	33.91		No
10	Suzhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	0.80	GB4915-2013	4.29	240.00	No
		Nitrogen oxides	Organised	2	Kiln tail	143.30	GB4915-2013	610.62	3,300.00	No
		Particulate matter	Organised	4	Kiln head and tail	5.40	GB4915-2013	31.82	425.70	No
		Particulate matter	Organised	122	General discharge outlet	2.20	GB4915-2013	4.90	274.34	No
11	Quanjiao Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	11.70	GB4915-2013	59.63	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	148.90	GB4915-2013	761.22	2,186.25	No
		Particulate matter	Organised	4	Kiln head and tail	4.70	GB4915-2013	32.65	248.33	No
		Particulate matter	Organised	133	General discharge outlet	7.40	GB4915-2013	22.16	136.67	No
12	Chaohu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	38.34	GB4915-2013	242.19	2,475.00	No
		Nitrogen oxides	Organised	3	Kiln tail	183.94	GB4915-2013	1,137.65	4,950.00	No
		Particulate matter	Organised	6	Kiln head and tail	10.25	GB4915-2013	88.81	638.55	No
		Particulate matter	Organised	148	General discharge outlet	4.70	GB4915-2013	9.00	230.91	No
13	Zhongguo Cement Plant Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	6.79	GB4915-2013	11.01	57.68	No
		Nitrogen oxides	Organised	2	Kiln tail	56.59	40 control measures under Measures on Prevention and Control of Air Pollution of Nanjing issued in August 2019	85.09	537.13	No
		Particulate matter	Organised	4	Kiln head and tail	5.55	GB4915-2013	13.41	74.92	No
		Particulate matter	Organised	85	General discharge outlet	7.06	GB4915-2013	11.00	110.31	No
14	Jiande Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.69	GB4915-2013	41.70	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	223.70	GB4915-2013	841.41	1,840.00	No
		Particulate matter	Organised	4	Kiln head and tail	3.04	GB4915-2013	20.84	779.34	No
		Particulate matter	Organised	117	General discharge outlet	5.15	GB4915-2013	39.74		No
15	Fenyi Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.26	GB4915-2013	22.52	825.00	No
		Nitrogen oxides	Organised	2	Kiln tail	283.14	GB4915-2013	557.02	1,650.00	No
		Particulate matter	Organised	4	Kiln head and tail	7.23	GB4915-2013	23.41	212.85	No
		Particulate matter	Organised	119	General discharge outlet	5.89	GB4915-2013	11.16	150.07	No
		Sulfur dioxide (coal mill)	Organised	1	General discharge outlet	12.00	GB4915-2013	1.10	227.70	No
		Nitrogen oxides (coal mill)	Organised	1	General discharge outlet	72.00	GB4915-2013	6.62	151.80	No
16	Yiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	6.99	GB4915-2013	48.15	310.00	No
		Nitrogen oxides	Organised	3	Kiln tail	257.18	GB4915-2013	2,057.44	4,333.50	No
		Particulate matter	Organised	6	Kiln head and tail	8.75	GB4915-2013	112.44	843.28	No
		Particulate matter	Organised	174	General discharge outlet	9.64	GB4915-2013	22.80		No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
17	Ganzhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	0.97	GB4915-2013	4.06	235.19	No
		Nitrogen oxides	Organised	3	Kiln tail	274.44	GB4915-2013	1,052.18	2,641.00	No
		Particulate matter	Organised	6	Kiln head and tail	7.75	GB4915-2013	55.42	813.04	No
		Particulate matter	Organised	113	General discharge outlet	5.80	GB4915-2013	14.40		No
18	Prosperity Conch Cement Co., Ltd.	Sulfur dioxide	Organised	4	Kiln tail	29.27	GB4915-2013	143.04	640.00	No
		Nitrogen oxides	Organised	4	Kiln tail	297.70	GB4915-2013	1,633.06	6,590.00	No
		Particulate matter	Organised	8	Kiln head and tail	6.07	GB4915-2013	66.50	1,550.00	No
		Particulate matter	Organised	222	General discharge outlet	3.76	GB4915-2013	14.57		No
19	Guangdong Qingxin Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	6.02	GB4915-2013	20.55	320.00	No
		Nitrogen oxides	Organised	2	Kiln tail	286.07	GB4915-2013	1,147.00	3,808.00	No
		Particulate matter	Organised	4	Kiln head and tail	5.46	GB4915-2013	23.16	750.00	No
		Particulate matter	Organised	120	General discharge outlet	5.61	GB4915-2013	12.05		No
20	Yangchun Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	25.20	GB4915-2013	188.77	530.00	No
		Nitrogen oxides	Organised	2	Kiln tail	233.00	GB4915-2013	1,065.62	3,548.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.90	GB4915-2013	84.88	746.13	No
		Particulate matter	Organised	191	General discharge outlet	5.50	GB4915-2013	67.86		No
21	Guangdong Qingyuan Guangying Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	3.48	GB4915-2013	17.81	234.09	No
		Nitrogen oxides	Organised	3	Kiln tail	273.14	GB4915-2013	683.33	2,628.93	No
		Particulate matter	Organised	6	Kiln head and tail	8.81	GB4915-2013	44.37	537.37	No
		Particulate matter	Organised	105	General discharge outlet	5.21	GB4915-2013	1.43		No
22	Xingan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	5.47	GB4915-2013	39.44	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	237.35	GB4915-2013	1,112.82	2,476.00	No
		Particulate matter	Organised	4	Kiln head and tail	9.82	GB4915-2013	38.86	351.91	No
		Particulate matter	Organised	139	General discharge outlet	6.79	GB4915-2013	71.19	235.93	No
23	Xingye Kuiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	6.02	GB4915-2013	29.18	130.58	No
		Nitrogen oxides	Organised	2	Kiln tail	251.17	GB4915-2013	1,245.99	2,713.31	No
		Particulate matter	Organised	4	Kiln head and tail	10.44	GB4915-2013	67.74	1,041.97	No
		Particulate matter	Organised	136	General discharge outlet	6.84	GB4915-2013	35.79		No
24	Fusui Xinning Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	4.27	GB4915-2013	20.79	181.00	No
		Nitrogen oxides	Organised	3	Kiln tail	249.61	GB4915-2013	1,571.97	3,713.00	No
		Particulate matter	Organised	6	Kiln head and tail	6.78	GB4915-2013	62.68	605.20	No
		Particulate matter	Organised	218	General discharge outlet	6.06	GB4915-2013	29.06		No
25	Beiliu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	26.84	GB4915-2013	130.84	215.80	No
		Nitrogen oxides	Organised	2	Kiln tail	261.05	GB4915-2013	1,186.41	2,525.00	No
		Particulate matter	Organised	4	Kiln head and tail	11.69	GB4915-2013	68.99	378.05	No
		Particulate matter	Organised	120	General discharge outlet	6.28	GB4915-2013	39.89	221.95	No
26	Longan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	61.22	GB4915-2013	91.16	178.49	No
		Nitrogen oxides	Organised	1	Kiln tail	297.63	GB4915-2013	443.00	1,240.00	No
		Particulate matter	Organised	2	Kiln head and tail	11.53	GB4915-2013	29.37	267.20	No
		Particulate matter	Organised	117	General discharge outlet	9.20	GB4915-2013	16.10		No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
27	Guangxi Lingyun Tonghong Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	9.87	GB4915-2013	10.42	426.25	No
		Nitrogen oxides	Organised	1	Kiln tail	299.37	GB4915-2013	340.47	852.50	No
		Particulate matter	Organised	2	Kiln head and tail	14.22	GB4915-2013	21.11	177.38	No
		Particulate matter	Organised	52	General discharge outlet	6.43	GB4915-2013	0.55		No
28	Shuangfeng Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	2.68	GB4915-2013	13.98	476.50	No
		Nitrogen oxides	Organised	2	Kiln tail	258.65	GB4915-2013	1,195.29	2,947.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.91	GB4915-2013	35.68	396.16	No
		Particulate matter	Organised	149	General discharge outlet	6.20	GB4915-2013	7.14		No
29	Hunan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	8.78	GB4915-2013	38.66	404.36	No
		Nitrogen oxides	Organised	2	Kiln tail	273.00	GB4915-2013	1,161.00	2,880.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.72	GB4915-2013	36.71	646.32	No
		Particulate matter	Organised	159	General discharge outlet	8.87	GB4915-2013	56.16		No
30	Shimen Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	1.60	GB4915-2013	6.80	450.10	No
		Nitrogen oxides	Organised	2	Kiln tail	232.00	GB4915-2013	1,104.00	3,074.60	No
		Particulate matter	Organised	2	Kiln head and tail	5.00	GB4915-2013	36.84	689.20	No
		Particulate matter	Organised	144	General discharge outlet	8.50	GB4915-2013	7.13		No
31	Qiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	31.79	GB4915-2013	124.72	462.00	No
		Nitrogen oxides	Organised	2	Kiln tail	255.85	GB4915-2013	934.32	2,187.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.99	GB4915-2013	21.12	935.00	No
		Particulate matter	Organised	124	General discharge outlet	8.25	GB4915-2013	23.05		No
32	Jianghua Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	8.26	GB4915-2013	15.08	234.40	No
		Nitrogen oxides	Organised	1	Kiln tail	267.31	GB4915-2013	479.19	1,350.00	No
		Particulate matter	Organised	2	Kiln head and tail	5.80	GB4915-2013	17.28	330.24	No
		Particulate matter	Organised	115	General discharge outlet	8.16	GB4915-2013	12.23		No
33	Shaoyang Yeafing New Energy Technology Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	48.53	GB4915-2013	70.41	160.00	No
		Nitrogen oxides	Organised	1	Kiln tail	215.65	GB4915-2013	304.45	1,395.00	No
		Particulate matter	Organised	2	Kiln head and tail	14.62	GB4915-2013	29.30	153.83	No
		Particulate matter	Organised	75	General discharge outlet	7.43	GB4915-2013	10.72	117.87	No
34	Hunan Yeafing Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	3.50	GB4915-2013	3.70	67.20	No
		Nitrogen oxides	Organised	1	Kiln tail	260.92	GB4915-2013	252.70	600.00	No
		Particulate matter	Organised	2	Kiln head and tail	6.80	GB4915-2013	10.40	99.93	No
		Particulate matter	Organised	65	General discharge outlet	8.60	GB4915-2013	7.20		No
35	Hunan Yiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	2.31	GB4915-2013	5.55	234.97	No
		Nitrogen oxides	Organised	1	Kiln tail	244.12	GB4915-2013	582.39	1,386.58	No
		Particulate matter	Organised	2	Kiln head and tail	5.42	GB4915-2013	14.01	149.06	No
		Particulate matter	Organised	75	General discharge outlet	7.16	GB4915-2013	11.17	73.65	No
36	Lianyuan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.99	GB4915-2013	2.59	151.11	No
		Nitrogen oxides	Organised	1	Kiln tail	263.64	GB4915-2013	321.90	1,440.00	No
		Particulate matter	Organised	2	Kiln head and tail	8.56	GB4915-2013	21.01	340.31	No
		Particulate matter	Organised	106	General discharge outlet	7.74	GB4915-2013	7.31		No
37	Linxiang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.13	GB4915-2013	1.51	150.00	No
		Nitrogen oxides	Organised	1	Kiln tail	266.35	GB4915-2013	400.00	1,120.00	No
		Particulate matter	Organised	2	Kiln head and tail	9.29	GB4915-2013	18.36	186.28	No
		Particulate matter	Organised	80	General discharge outlet	8.17	GB4915-2013	40.87		No



## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
38	Guangyuan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	2.84	GB4915-2013	14.71	342.58	No
		Nitrogen oxides	Organised	2	Kiln tail	120.83	GB4915-2013	578.08	3,285.00	No
		Particulate matter	Organised	4	Kiln head and tail	10.45	GB4915-2013	65.10	452.70	No
		Particulate matter	Organised	140	General discharge outlet	6.65	GB4915-2013	30.19		No
39	Dazhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	3.52	GB4915-2013	11.25	284.30	No
		Nitrogen oxides	Organised	2	Kiln tail	208.91	GB4915-2013	664.33	2,970.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.85	GB4915-2013	32.34	352.14	No
		Particulate matter	Organised	115	General discharge outlet	7.33	GB4915-2013	12.66	238.18	No
40	Bazhong Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	5.97	GB4915-2013	11.09	142.13	No
		Nitrogen oxides	Organised	1	Kiln tail	155.83	GB4915-2013	299.07	1,008.26	No
		Particulate matter	Organised	2	Kiln head and tail	11.81	GB4915-2013	29.96	202.70	No
		Particulate matter	Organised	80	General discharge outlet	5.66	GB4915-2013	14.45	124.29	No
41	Sichuan Nanwei Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	7.01	GB4915-2013	4.02	56.00	No
		Nitrogen oxides	Organised	1	Kiln tail	174.91	GB4915-2013	131.11	800.00	No
		Particulate matter	Organised	2	Kiln head and tail	11.99	GB4915-2013	10.59	68.04	No
		Particulate matter	Organised	62	General discharge outlet	9.81	GB4915-2013	7.75	41.96	No
42	Chongqing Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	16.23	DB50/656-2016	94.64	2,252.25	No
		Nitrogen oxides	Organised	3	Kiln tail	166.08	DB50/656-2016	992.42	3,474.00	No
		Particulate matter	Organised	6	Kiln head and tail	6.36	DB50/656-2016	60.92	573.55	No
		Particulate matter	Organised	204	General discharge outlet	11.01	DB50/656-2016	49.74	301.82	No
43	Liangping Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	3.69	DB50/656-2016	8.73	792.00	No
		Nitrogen oxides	Organised	1	Kiln tail	166.60	DB50/656-2016	308.21	1,152.00	No
		Particulate matter	Organised	2	Kiln head and tail	13.15	DB50/656-2016	31.11	204.34	No
		Particulate matter	Organised	81	General discharge outlet	10.53	DB50/656-2016	18.85	135.47	No
44	Pingliang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	1.75	GB4915-2013	10.93	1,515.00	No
		Nitrogen oxides	Organised	2	Kiln tail	277.00	GB4915-2013	1,087.90	3,030.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.05	GB4915-2013	23.05	382.51	No
		Particulate matter	Organised	123	General discharge outlet	13.20	GB4915-2013	22.53	263.37	No
45	Guiyang Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	28.98	GB4915-2013	114.87	706.37	No
		Nitrogen oxides	Organised	3	Kiln tail	288.66	GB4915-2013	1,613.27	3,901.51	No
		Particulate matter	Organised	6	Kiln head and tail	16.00	GB4915-2013	81.92	585.83	No
		Particulate matter	Organised	170	General discharge outlet	5.03	GB4915-2013	14.00	398.73	No
46	Zunyi Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	57.22	GB4915-2013	216.16	646.80	No
		Nitrogen oxides	Organised	2	Kiln tail	244.12	GB4915-2013	937.44	3,267.00	No
		Particulate matter	Organised	4	Kiln head and tail	17.55	GB4915-2013	80.25	671.27	No
		Particulate matter	Organised	116	General discharge outlet	4.96	GB4915-2013	7.91		No
47	Tongren Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	16.81	GB4915-2013	67.20	1,485.00	No
		Nitrogen oxides	Organised	2	Kiln tail	323.51	GB4915-2013	1,356.64	2,970.00	No
		Particulate matter	Organised	4	Kiln head and tail	4.43	GB4915-2013	32.39	631.76	No
		Particulate matter	Organised	131	General discharge outlet	4.88	GB4915-2013	10.21		No
48	Guiding Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	41.34	GB4915-2013	194.00	1,559.25	No
		Nitrogen oxides	Organised	2	Kiln tail	309.33	GB4915-2013	1,464.00	3,118.50	No
		Particulate matter	Organised	4	Kiln head and tail	9.58	GB4915-2013	69.30	660.09	No
		Particulate matter	Organised	132	General discharge outlet	6.17	GB4915-2013	16.68		No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
49	Qianxinan Resource Development Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	6.18	GB4915-2013	4.75	241.00	No
		Nitrogen oxides	Organised	1	Kiln tail	213.75	GB4915-2013	273.00	620.00	No
		Particulate matter	Organised	2	Kiln head and tail	8.23	GB4915-2013	10.19	79.98	No
		Particulate matter	Organised	102	General discharge outlet	7.74	GB4915-2013	3.10	54.08	No
50	Shuicheng Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	2.59	GB4915-2013	3.39	446.99	No
		Nitrogen oxides	Organised	2	Kiln tail	300.43	GB4915-2013	344.82	1,733.62	No
		Particulate matter	Organised	4	Kiln head and tail	8.66	GB4915-2013	14.71	393.70	No
		Particulate matter	Organised	104	General discharge outlet	3.76	GB4915-2013	3.86		No
51	Guizhou Liukuangruian Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	28.41	GB4915-2013	46.85	529.23	No
		Nitrogen oxides	Organised	2	Kiln tail	260.31	GB4915-2013	426.29	2,260.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.73	GB4915-2013	15.35	481.00	No
		Particulate matter	Organised	106	General discharge outlet	4.81	GB4915-2013	9.50		No
52	Liquan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	9.15	DB61/941-2018	41.21	208.69	No
		Nitrogen oxides	Organised	2	Kiln tail	224.24	DB61/941-2018	1,010.09	1,908.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.74	DB61/941-2018	12.36	335.96	No
		Particulate matter	Organised	160	General discharge outlet	8.34	DB61/941-2018	26.01		No
53	Qianyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	20.00	DB61/941-2018	24.80	274.50	No
		Nitrogen oxides	Organised	1	Kiln tail	195.00	DB61/941-2018	306.13	1,098.00	No
		Particulate matter	Organised	2	Kiln head and tail	4.00	DB61/941-2018	7.90	186.20	No
		Particulate matter	Organised	106	General discharge outlet	7.00	DB61/941-2018	5.84		No
54	Baoji Zhongxi Jinlinghe Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	12.50	DB61/941-2018	21.60	274.50	No
		Nitrogen oxides	Organised	1	Kiln tail	256.80	DB61/941-2018	377.90	1,098.00	No
		Particulate matter	Organised	2	Kiln head and tail	2.60	DB61/941-2018	8.87	118.04	No
		Particulate matter	Organised	94	General discharge outlet	7.80	DB61/941-2018	12.81	56.01	No
55	Qianxian Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	9.12	DB61/941-2018	14.96	191.81	No
		Nitrogen oxides	Organised	1	Kiln tail	232.90	DB61/941-2018	364.41	1,227.60	No
		Particulate matter	Organised	2	Kiln head and tail	2.68	DB61/941-2018	7.43	126.95	No
		Particulate matter	Organised	122	General discharge outlet	7.22	DB61/941-2018	16.88	59.96	No
56	Baoji Zhongxi Fenghuangshan Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	15.36	DB61/941-2018	24.20	274.50	No
		Nitrogen oxides	Organised	1	Kiln tail	266.43	DB61/941-2018	382.31	1,098.00	No
		Particulate matter	Organised	2	Kiln head and tail	3.92	DB61/941-2018	10.65	118.04	No
		Particulate matter	Organised	111	General discharge outlet	7.02	DB61/941-2018	11.14	56.02	No
57	Shaanxi Tongchuan Fenghuang Construction Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	14.69	DB61/941-2018	16.83	337.50	No
		Nitrogen oxides	Organised	1	Kiln tail	269.67	DB61/941-2018	368.15	1,080.00	No
		Particulate matter	Organised	2	Kiln head and tail	0.51	DB61/941-2018	1.14	116.10	No
		Particulate matter	Organised	53	General discharge outlet	8.30	DB61/941-2018	9.91	59.03	No
58	Jining Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	7.51	DB37/2373-2018	25.00	281.30	No
		Nitrogen oxides	Organised	1	Kiln tail	77.50	DB37/2373-2018	259.00	1,127.25	No
		Particulate matter	Organised	2	Kiln head and tail	5.14	DB37/2373-2018	22.10	129.26	No
		Particulate matter	Organised	131	General discharge outlet	6.80	GB4915-2013	5.30	79.75	No
59	Baoshan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	0.55	GB4915-2013	0.74	150.76	No
		Nitrogen oxides	Organised	1	Kiln tail	242.22	GB4915-2013	391.02	1,534.50	No
		Particulate matter	Organised	2	Kiln head and tail	6.14	GB4915-2013	16.56	190.42	No
		Particulate matter	Organised	77	General discharge outlet	11.43	GB4915-2013	10.98	121.99	No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
60	Longling Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.51	GB4915-2013	1.27	43.00	No
		Nitrogen oxides	Organised	1	Kiln tail	231.30	GB4915-2013	220.04	750.00	No
		Particulate matter	Organised	2	Kiln head and tail	5.61	GB4915-2013	8.48	163.40	No
		Particulate matter	Organised	105	General discharge outlet	8.72	GB4915-2013	8.16		No
61	Yingjiangyunhan Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	6.99	GB4915-2013	13.32	60.15	No
		Nitrogen oxides	Organised	1	Kiln tail	217.36	GB4915-2013	409.27	1,304.05	No
		Particulate matter	Organised	2	Kiln head and tail	10.21	GB4915-2013	27.09	162.20	No
		Particulate matter	Organised	95	General discharge outlet	9.28	GB4915-2013	20.30	98.02	No
		Sulfur dioxide (coal mill)	Organised		General discharge outlet	19.50	GB4915-2013	0.75	/	No
		Nitrogen oxides (coal mill)	Organised		General discharge outlet	80.50	GB4915-2013	3.43	/	No
62	Wenshan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	7.85	GB4915-2013	41.91	241.10	No
		Nitrogen oxides	Organised	2	Kiln tail	243.26	GB4915-2013	1,213.57	2,790.00	No
		Particulate matter	Organised	4	Kiln head and tail	8.89	GB4915-2013	54.13	359.91	No
		Particulate matter	Organised	123	General discharge outlet	9.33	GB4915-2013	20.82	243.98	No
63	Hami Hongyi Construction Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	3.55	GB4915-2013	1.81	45.00	No
		Nitrogen oxides	Organised	1	Kiln tail	350.83	GB4915-2013	165.61	750.00	No
		Particulate matter	Organised	2	Kiln head and tail	7.12	GB4915-2013	3.20	96.75	No
		Particulate matter	Organised	59	General discharge outlet	8.98	GB4915-2013	6.50	55.93	No
64	Linxia Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	25.00	GB4915-2013	13.46	55.00	No
		Nitrogen oxides	Organised	1	Kiln tail	252.00	GB4915-2013	134.48	645.00	No
		Particulate matter	Organised	2	Kiln head and tail	14.50	GB4915-2013	10.63	79.17	No
		Particulate matter	Organised	32	General discharge outlet	≤20	GB4915-2013	3.80	15.83	No
65	Kunming Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	15.90	GB4915-2013	14.82	62.27	No
		Nitrogen oxides	Organised	1	Kiln tail	224.49	GB4915-2013	253.15	775.00	No
		Particulate matter	Organised	2	Kiln head and tail	10.03	GB4915-2013	13.73	36.43	No
		Particulate matter	Organised	46	General discharge outlet	7.80	GB4915-2013	12.46	42.17	No
66	Yunnan Zhuangxiang Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	5.16	GB4915-2013	4.01	172.00	No
		Nitrogen oxides	Organised	1	Kiln tail	212.87	GB4915-2013	214.46	576.00	No
		Particulate matter	Organised	2	Kiln head and tail	9.89	GB4915-2013	12.30	124.28	No
		Particulate matter	Organised	32	General discharge outlet	9.29	GB4915-2013	8.36		No

## 6. Significant Events

### 2. Discharge status of the major pollutants by subsidiaries other than key pollutant discharging units

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
1	Anhui Changfeng Conch Cement Co., Ltd.	Particulate matter	Organised	54	General discharge outlet	8.40	GB4915-2013	8.61	/	No
2	Huangshan Conch Cement Co., Ltd.	Particulate matter	Organised	63	General discharge outlet	5.41	GB4915-2013 DB34/3576-2020	6.65	/	No
3	Taicang Conch Cement Co., Ltd.	Particulate matter	Organised	44	General discharge outlet	3.28	GB4915-2013	3.42	/	No
4	Zhenjiang Beigu Conch Cement Co., Ltd.	Particulate matter	Organised	13	General discharge outlet	8.23	GB4915-2013	1.87	/	No
5	Taizhou Yangwan Conch Cement Co., Ltd.	Particulate matter	Organised	129	General discharge outlet	8.20	GB4915-2013	13.70	/	No
6	Yangzhou Conch Cement Co., Ltd.	Particulate matter	Organised	142	General discharge outlet	9.50	GB4915-2013	28.40	/	No
7	Jiangsu Baling Conch Cement Co., Ltd.	Particulate matter	Organised	98	General discharge outlet	8.20	GB4915-2013	19.51	263.86	No
8	Huai'an Conch Cement Co., Ltd.	Particulate matter	Organised	45	General discharge outlet	8.02	GB4915-2013	11.33	274.54	No
9	Huai'an Chuzhou Conch Cement Co., Ltd.	Particulate matter	Organised	165	General discharge outlet	8.20	GB4915-2013	17.09	286.47	No
10	Yueqing Conch Cement Co., Ltd.	Particulate matter	Organised	112	General discharge outlet	6.31	GB4915-2013	14.16	/	No
11	Jiangxi Lushan Conch Cement Co., Ltd.	Particulate matter	Organised	84	General discharge outlet	5.50	GB4915-2013	14.71	/	No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
12	Jiangxi Ganjiang Conch Cement Co., Ltd.	Particulate matter	Organised	105	General discharge outlet	8.15	GB4915-2013	71.13	/	No
13	Jinxian Conch Cement Co., Ltd.	Particulate matter	Organised	60	General discharge outlet	6.50	GB4915-2013	28.30	/	No
14	Nanchang Conch Cement Co., Ltd.	Particulate matter	Organised	41	General discharge outlet	7.00	GB4915-2013	30.29	93.00	No
15	Zhanjiang Conch Cement Co., Ltd.	Particulate matter	Organised	92	General discharge outlet	3.94	GB4915-2013	19.06	/	No
16	Maoming Dadi Cement Co., Ltd.	Particulate matter	Organised	43	General discharge outlet	2.33	GB4915-2013	2.21	32.04	No
17	Jiangmen Conch Cement Co., Ltd.	Particulate matter	Organised	102	General discharge outlet	5.70	GB4915-2013	16.05	268.16	No
18	Foshan Conch Cement Co., Ltd.	Particulate matter	Organised	89	General discharge outlet	8.60	GB4915-2013	23.04	/	No
19	Bengbu Conch Cement Co., Ltd.	Particulate matter	Organised	86	General discharge outlet	4.77	GB4915-2013	5.97	/	No
20	Lu'an Conch Cement Co., Ltd.	Particulate matter	Organised	75	General discharge outlet	4.20	GB4915-2013	11.44	/	No
21	Huainan Conch Cement Co., Ltd.	Particulate matter	Organised	110	General discharge outlet	9.70	GB4915-2013	120.00	/	No
22	Bozhou Conch Cement Co., Ltd.	Particulate matter	Organised	46	General discharge outlet	5.69	GB4915-2013	4.10	118.56	No
23	Ma'anshan Conch Cement Co., Ltd.	Particulate matter	Organised	89	General discharge outlet	7.10	DB34/3576-2020	31.22	/	No

## 6. Significant Events

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (t)	Approved total amount of discharge (t/a)	Excessive discharge
24	Shanghai Mingzhu Conch Cement Co., Ltd.	Particulate matter	Organised	29	General discharge outlet	3.50	GB4915-2013	0.49	/	No
25	Zhangjiagang Conch Cement Co., Ltd.	Particulate matter	Organised	79	General discharge outlet	5.30	GB4915-2013	17.18	/	No
26	Nantong Conch Cement Co., Ltd.	Particulate matter	Organised	59	General discharge outlet	3.81	GB4915-2013	6.16	71.49	No
27	Haimen Conch Cement Co., Ltd.	Particulate matter	Organised	137	General discharge outlet	2.49	GB4915-2013	9.40	374.70	No
28	Ningbo Conch Cement Co., Ltd.	Particulate matter	Organised	78	General discharge outlet	7.26	GB4915-2013	19.01	/	No
29	Shaoxing Shangyu Conch Cement Co., Ltd.	Particulate matter	Organised	38	General discharge outlet	7.31	GB4915-2013	4.43	21.50	No
30	Taizhou Conch Cement Co., Ltd.	Particulate matter	Organised	55	General discharge outlet	7.17	GB4915-2013	18.92	/	No
31	Ninghai Qiangjiao Conch Cement Co., Ltd.	Particulate matter	Organised	95	General discharge outlet	7.01	GB4915-2013	20.70	/	No
32	Xiangshan Conch Cement Co., Ltd.	Particulate matter	Organised	122	General discharge outlet	7.20	GB4915-2013	23.23	/	No
33	Fujian Jianyang Conch Cement Co., Ltd.	Particulate matter	Organised	29	General discharge outlet	9.38	GB4915-2013	3.11	/	No

### 3. Environmental protection investment and achievements of the Group

The Group comprehensively implemented the national environmental protection policy, continuously strengthened environmental protection management, kept increasing environmental protection investment, strictly implemented various environmental laws, regulations and standards, and actively utilized the advantages in resources co-ordination of the Company's headquarters and regional management committee to guide the subordinate subsidiaries to strengthen the operation and maintenance of environmental protection equipment and coordinated and promoted various environmental protection technology innovation, resulting in the continuous improvement of environment protection management.

During the Reporting Period, in terms of technological modification of desulfurization, the Group completed the technological modification of composite desulfurization for 3 production lines. Currently, the 33 completed technological modification projects of wet desulphurization and 18 completed technological modification projects of composite desulfurization were under normal operation with the sulfur dioxide discharge concentration below 50mg/m<sup>3</sup> which is lower than the national emission standard limit (according to the Emission Standard of Air Pollutants for Cement Industry (GB4915-2013), the limit of sulfur dioxide emission in key areas is 100mg/m<sup>3</sup>). In terms of denitration technological modification, SCR denitration technology modification on a clinker production line has been completed, and SCR denitration technology modification on three clinker production lines was under construction. At the same time, the Company conducted discussions and exchanges with various scientific research institutions and technological modification entities to actively explore the feasibility of applications of advanced environmental protection technologies. In terms of technological modification of dust collection, the Company has completed the modification of 31 electric dust collectors and upgraded 380,000 ultra-low membrane filter bags. After the modification, the emission concentration of particulate matter reduced to below 10mg/m<sup>3</sup>, which is lower than that of the national emission standard limit (according to the Emission Standard of Air Pollutants for Cement Industry (GB4915-2013), the limit of particulate matter emission in key areas is 20mg/m<sup>3</sup>). In terms of noise control, the Company has completed the inspection of noise control technological modification projects for 5 subsidiaries.

## 6. Significant Events

All of the subsidiaries of the Group have obtained the environmental assessment approval documents and applied for the emission permit in strict compliance with the requirements of Law of the People's Republic of China on Appraising of Environment Impacts (《中華人民共和國環境影響評價法》). All subsidiaries were equipped with online monitoring equipment in accordance with the requirements of the environmental protection authority, regularly carried out equipment upgrades and operating maintenance in accordance with relevant technological specifications, and formulated monitoring plans and conducted self-monitoring in strict accordance with the requirements of the industry's self-monitoring technology guidelines. The subsidiaries submitted reports on the implementation of emission permit on a quarterly basis, disclosed the companies' information on pollution discharge and compliance with laws to receive public supervision. In addition, each subsidiary has formulated environmental emergency response plan and has completed the filing with the environmental protection authority in strict compliance with the requirements of Emergency Response Measures of the People's Republic of China (《中華人民共和國突發事件應對辦法》) and other rules. They also carried out drills regularly, enabling the Group to take actions in a quick, orderly and efficient manner to manage and reduce damages upon occurrence of any environmental pollution incidents (accidents), thereby safeguarding the public and protecting the environment.

### (14) NO EVENT THAT MIGHT IMPOSE MATERIAL IMPACTS

As at the end of the Reporting Period and up to the date of this interim report, there was no occurrence of any event that might impose material impacts on the Group.



## 7. Changes in Shares and Shareholders

### (1) TOTAL NUMBER OF SHARES AND SHAREHOLDING STRUCTURE

There was no change in the total number of shares and the shareholding structure of the Company during the Reporting Period, as detailed below:

Class of shares	Before change		Increase/decrease (+,-)			(Unit: Share) After change	
	Number	Percentage (%)	Transfer		Subtotal	Number	Percentage (%)
			Issue of new shares	from capital reserve			
<b>(1) Shares subject to trading restrictions</b>	-	-	-	-	-	-	-
1. State-owned legal person shares	-	-	-	-	-	-	-
2. Other domestic shares	-	-	-	-	-	-	-
<b>(2) Shares not subject to trading restrictions</b>	<b>5,299,302,579</b>	<b>100</b>	-	-	-	<b>5,299,302,579</b>	<b>100</b>
1. RMB-denominated ordinary shares (i. e. A Shares)	3,999,702,579	75.48	-	-	-	3,999,702,579	75.48
2. Overseas-listed foreign shares (i. e. H Shares)	1,299,600,000	24.52	-	-	-	1,299,600,000	24.52
<b>(3) Total number of shares</b>	<b>5,299,302,579</b>	<b>100</b>	-	-	-	<b>5,299,302,579</b>	<b>100</b>

## 7. Changes in Shares and Shareholders

### (2) SHAREHOLDERS

As at the end of the Reporting Period, the total number of shareholders and the shareholdings of the top ten registered shareholders of the Company are set out as follows: as at the end of the Reporting Period, the total number of shareholders of the Company was 206,245, of which the H shareholders were 84.

Name of shareholders	Nature of shareholder	Number of shares	Percentage of Shareholding (%)	Class of shares	Pledged or frozen	
		held at the end of the Reporting Period (share)			Status	Number of shares (share)
1. Conch Holdings <sup>(Note 1)</sup>	State-owned legal person	1,928,870,014	36.40	A Share	Nil	-
2. HKSCC Nominees Limited <sup>(Note 2)</sup>	Foreign legal person	1,298,424,112	24.50	H Share	Unknown	Unknown
3. Hong Kong Securities Clearing Company Limited	Foreign legal person	420,848,349	7.94	A Share	Unknown	Unknown
4. China Securities Finance Corporation Limited	State-owned legal person	158,706,413	2.99	A Share	Unknown	Unknown
5. Central Huijin Asset Management Ltd.	State-owned legal person	70,249,600	1.33	A Share	Unknown	Unknown
6. CV Investment	Domestic non-state-owned legal person	41,478,000	0.78	A Share	Nil	-
7. Hillhouse Capital Management Co., Ltd. - HCM China Fund	Others	37,322,610	0.70	A Share	Unknown	Unknown
8. Bank Negara Malaysia	Others	32,245,473	0.61	A Share	Unknown	Unknown
9. Industrial & Commercial Bank of China - SSE 50 Trading Open-end Index Securities Investment Fund	Others	16,276,257	0.31	A Share	Unknown	Unknown
10. He Xiangjian	Domestic natural person	15,589,853	0.29	A Share	Unknown	Unknown

#### Notes:

- (1) During the Reporting Period, there was no change in the number of the shares of the Company held by Conch Holdings. The shares held by Conch Holdings were not subject to pledge, freezing order or trust.
- (2) HKSCC Nominees Limited held 1,298,424,112 H Shares, representing 24.50% of the total share capital of the Company, and 99.91% 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 is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.

## 7. Changes in Shares and Shareholders

### (3) SUBSTANTIAL SHAREHOLDERS

As at the end of the Reporting Period, the following persons (other than the Directors or chief executive of the Company) held interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO (references to Directors or chief executive in this paragraph include Supervisors):

Name of shareholder	Number of ordinary shares held	Capacity	Percentage of shareholding of the relevant class of shares
Conch Holdings	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation/ Beneficial owner	48.23% (Note 2)
Anhui Provincial Investment Group Holdings Co., Ltd.	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation	48.23% (Note 2)
Conch Venture Property	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation	48.23% (Note 2)
Conch Venture	1,928,870,014 A Shares (long position) (Note 1)	Interest of a controlled corporation	48.23% (Note 2)
Taiwan Cement Corporation	116,568,000 H Shares (long position) (Note 4)	Interest of a controlled corporation	8.97% (Note 3)
BlackRock, Inc.	103,877,232 H Shares (long position) (Note 5)	Interest of a controlled corporation	7.99% (Note 3)

## 7. Changes in Shares and Shareholders

<b>Name of shareholder</b>	<b>Number of ordinary shares held</b>	<b>Capacity</b>	<b>Percentage of shareholding of the relevant class of shares</b>
JPMorgan Chase & Co.	91,109,389 H Shares (long position) (Note 6)	Interest of a controlled corporation/ Investment manager/Person having a security interest in shares/Trustee/ Approved lending agent	7.01% (Note 3)
JPMorgan Chase & Co.	8,421,383 H Shares (short position) (Note 6)	Interest of a controlled corporation	0.64% (Note 3)
Citigroup Inc.	68,885,305 H Shares (long position) (Note 7)	Interest of a controlled corporation/ Approved lending agent	5.30% (Note 3)
Citigroup Inc.	2,933,634 H Shares (short position) (Note 7)	Interest of a controlled corporation	0.22% (Note 3)

## 7. Changes in Shares and Shareholders

### Notes:

- (1) Anhui Provincial Investment Group Holdings Co., Ltd. (“Anhui Provincial Investment Group”) and Conch Venture Property held 51% and 49% of the equity interests in Conch Holdings, respectively. Conch Venture Property is wholly owned by Anhui Conch Venture New Energy-saving Building Material Co., Ltd. (“CV Green”), which is in turn wholly owned by China Conch Venture Holdings (HK) Limited (“CV HK”). CV HK is wholly owned by China Conch Venture Holdings International Limited (“CV International”). CV International is a wholly-owned subsidiary of Conch Venture. Pursuant to the SFO, Anhui Provincial Investment Group, Conch Venture Property, CV Green, CV HK, CV International and Conch Venture were deemed to have interests in the entire number of shares of the Company held by Conch Holdings.
- (2) The total number of domestic shares in issue was 3,999,702,579 shares, all of which were A Shares.
- (3) The total number of H Shares in issue was 1,299,600,000 shares.
- (4) Based on the disclosure of interests form submitted by Taiwan Cement Corporation on 12 December 2008 in respect of the relevant event that occurred on 11 December 2008, 38,856,000 H Shares of the Company were held by Taiwan Cement Corporation through its certain subsidiaries. Assuming that the company has not disposed of any shares, upon implementation of the proposal of capitalization of capital reserve fund by the Company in 2010 and 2011, Taiwan Cement Corporation held 116,568,000 H Shares accordingly.
- (5) Based on the disclosure of interests form submitted by BlackRock, Inc. on 28 May 2020 in respect of the relevant event that occurred on 25 May 2020, these shares were held through certain subsidiaries of BlackRock, Inc. in the capacity of interest of a controlled corporation.
- (6) Based on the disclosure of interests form submitted by JPMorgan Chase & Co. on 22 May 2020 in respect of the relevant event that occurred on 19 May 2020, these shares were held through certain subsidiaries of JPMorgan Chase & Co. Of the 91,109,389 H Shares (long position), 9,382,572 shares were held in the capacity of interest of a controlled corporation; 7,346,315 shares were held in the capacity of investment manager; 5,805,321 shares were held in the capacity of person having a security interest in shares; 53,300 shares were held in the capacity of trustee; another 68,521,881 shares, which are available for lending, were held in the capacity of approved lending agent. 8,421,383 H Shares (short position) were held in the capacity of interest of a controlled corporation.
- (7) Based on the disclosure of interests form submitted by Citigroup Inc. on 16 April 2020 in respect of the relevant event that occurred on 10 April 2020, these shares were held through certain subsidiaries of Citigroup Inc. Of the 68,885,305 H Shares (long position), 5,557,502 shares were held in the capacity of interest of a controlled corporation; another 63,327,803 shares, which are available for lending, were held in the capacity of approved lending agent. 2,933,634 H Shares (short position) were held in the capacity of interest of a controlled corporation.

Save for the aforesaid shareholders, as at the end of the Reporting Period, the Company was not aware of any interests and short positions as recorded in the register required to be kept pursuant to section 336 of the SFO.

## 7. Changes in Shares and Shareholders

### **(4) PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

### **(5) ISSUE OF PREFERENCE SHARES AND PRE-EMPTIVE RIGHTS**

During the Reporting Period, the Company did not issue any preference shares. Under the Articles and the laws of the PRC, the Company is not required to offer to its existing shareholders pre-emptive right to acquire new shares in proportion to their shareholdings.

## 8. Directors, Supervisors, Senior Management and Staff

### (1) APPOINTMENT OR CESSATION IN OFFICE OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

During the Reporting Period, no Directors, Supervisors or senior management were newly appointed by the Company or resigned. There was no change in the biographies of the above officers which required disclosure under Rule 13.51B(1) of the HKSE Listing Rules.

### (2) CHANGES IN THE NUMBER OF SHARES OF THE COMPANY HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

Name	Position	Number of shares held as at 31 December 2019 (share)	Number of shares sold during the Reporting Period (share)	Number of shares held as at 30 June 2020 (share)
Li Xiaobo	Deputy general manager	193,000	–	<b>193,000</b>
Ke Qiubi	Deputy general manager	220,445	10,000	<b>210,445</b>

According to the shareholding reduction plan submitted by Mr. Ke Qiubi, the deputy general manager, the Company disclosed his plan to reduce shareholdings in the Company on the SSE website on 3 April 2020. Under strict compliance with the requirements of the relevant business rules of the SSE, Mr. Ke Qiubi has reduced cumulatively 10,000 shares held during the Reporting Period. Mr. Ke Qiubi has not yet completed the implementation of reduction plan this time and the Company will fulfill its information disclosure obligations in a timely manner pursuant to the progress of his shareholding reduction.

Save as disclosed above, none of the other Directors, Supervisors and senior management members of the Company held or purchased or sold any share of the Company during the Reporting Period.

## 8. Directors, Supervisors, Senior Management and Staff

### (3) INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

During the Reporting Period, none of the Directors, chief executive and Supervisors of the Company nor any of their respective close associates (as defined in the HKSE Listing Rules) held any interest or short position in the HKSE shares, underlying shares and debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO), nor had they been granted or exercised the above rights, which were recorded in the register of the Company required to be kept and maintained in accordance with section 352 of the SFO or 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 10 to the HKSE Listing Rules.

During the Reporting Period, none of the Directors and Supervisors of the Company had material interest in any contract entered into by the Company or its subsidiaries.

### (4) CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT

During the Reporting Period, the Company complied with all the code provisions (“Code Provision”) as set out in the Corporate Governance Code in Appendix 14 to the HKSE Listing Rules.

### (5) MODEL CODE

The Company has adopted a code of practice regarding Directors’ securities transactions on terms no less exacting than the required standard in the Model Code as set out in Appendix 10 to the HKSE Listing Rules. Having made specific enquiries to all Directors by the Company, all Directors of the Company confirmed that they have complied with the required standards as set out in the Model Code and the Company’s code of conduct in relation to securities transactions by Directors during the Reporting Period.



## 8. Directors, Supervisors, Senior Management and Staff

### (6) STAFF AND REMUNERATION

As of the end of the Reporting Period, there were 47,226 staff members under the employment of the Group with a total remuneration of approximately RMB2,941 million, which was the total remuneration of staff for the Reporting Period.

During the Reporting Period, the Group implemented an annual remuneration system for its middle and senior management members whose annual salary was assessed based on the Group's production and sales volume, profitability, costs and other key indicators according to the annual objective accountability assessment system, while a position-based and performance-linked salary system was adopted for its professional technical management staff and general staff whose salary was assessed based on position indicators and performance of their duties and responsibilities according to the objective assessment management system based on positions.

During the Reporting Period, the Group continuously improved its training methods based on its training management systems at head office, regional entities and subsidiaries, organised and provided multi-level and diversified training programmes, with an aim to enhance the management capability of the leaders and strengthen the professional skills of the staff. Taking into full consideration of the actual business circumstances during the pandemic, the Company's headquarters improved its internal online training curriculum system and carried out the development and evaluation of micro-courses in order to gather experience for subsequent promotion of online micro-course training model in a comprehensive manner. Meanwhile, efforts were made by each regional branch to strengthen trainings for middle management staff, so as to improve the professional management capability of the middle management staff. In light of the actual training needs, the subsidiaries also provided daily training for staff from different functions and departments, so as to secure adequate reserve for stable production and effective management control.

## 9. Information on Corporate Bonds

### (1) GENERAL INFORMATION ON CORPORATE BONDS

Name of Bonds	Abbreviation	Code	Issuance Date	Maturity Date	Balance of Bonds (RMB in hundred million)	Interest rate (%)	Mode of Repayment of Principal and Interest	Stock Exchange
2012 Corporate Bonds of Anhui Conch Cement Company Limited ("2012 Corporate Bonds")	12 Conch 02	122203	2012.11.7	2022.11.6	34.99	5.10	Interest is payable annually, and the final interest shall be paid together with the principal amount	SSE

### (2) CONTACT PERSON AND CONTACT INFORMATION OF THE TRUSTEE OF THE CORPORATE BONDS AND CONTACT INFORMATION OF THE CREDIT RATING AGENCY

Trustee of 2012 Corporate Bonds	Name	Zhong De Securities Company Limited (中德證券有限責任公司)
	Business address	22nd Floor, Tower 1, China Central Place, 81 Jianguo Road, Chaoyang District, Beijing
	Contact person	Li Xinwei (李昕蔚)
	Telephone	010-5902 6608
Credit Rating Agency of 2012 Corporate Bonds	Name	China Chengxin International Credit Rating Co., Ltd.
	Business address	60101, Building 1, No. 2 Nanzhugan Hutong, Dongcheng District, Beijing

China Chengxin Securities Rating Company Limited ("China Chengxin Securities Rating"), the original credit rating agency for 2012 Corporate Bonds of the Company, is a wholly-owned subsidiary of China Chengxin International Credit Rating Co., Ltd. ("China Chengxin International"). During the Reporting Period, the credit rating business of corporate bonds of the Company had been taken over by China Chengxin International due to the credit rating business integration between China Chengxin Securities Rating and China Chengxin International in the securities market.

## 9. Information on Corporate Bonds

The Company has entered agreements with China Chengxin Securities Rating and China Chengxin International in relation to the change of credit rating agency for corporate bonds. As approved by the China Securities Regulatory Commission, China Chengxin International has obtained the business license for securities market credit rating, accordingly the change of the credit rating agency for corporate bonds will not affect the interests of the Company and investors.

### (3) USE OF PROCEEDS FROM ISSUANCE OF CORPORATE BONDS

The net proceeds raised from the issuance of the corporate bonds with a principal amount of RMB6.0 billion by the Company in 2012 amounted to RMB5,995.24 million. Pursuant to the purposes and application plan as stipulated in the prospectus, all the proceeds were utilized in 2013, of which RMB3,000 million was used to replenish its working capital and RMB2,995.24 million was used to repay loans.

### (4) CREDIT RATING AGENCY AND RATING TRACKING OF CORPORATE BONDS

According to the credit rating notice (Xinpingweihanzi [2020] tracking No.0169) and rating tracking report issued by China Chengxin International on 29 April 2020, by tracking and analyzing the credit rating of the Company and the Company's 2012 Corporate Bonds, and as considered and determined by the securities credit rating committee of China Chengxin International, China Chengxin International maintained the Company's main credit rating of AAA with stable rating outlook, and also maintained the credit rating of its 2012 Corporate Bonds of AAA. The above-mentioned rating tracking report was published on the websites of the Stock Exchange and the Company on 29 April 2020 and on the website of the SSE on 30 April 2020.

### (5) CREDIT ENHANCEMENT MECHANISM AND DEBT REPAYMENT PLAN IN RELATION TO THE CORPORATE BONDS FOR THE REPORTING PERIOD

Conch Holdings, the controlling shareholder of the Company, provided unconditional and irrevocable guarantee by way of joint liability assurance for the 2012 Corporate Bonds issued by the Company. As of 30 June 2020, the accumulative outstanding balance of external guarantees provided by Conch Holdings amounted to RMB7.235 billion, representing 11.82% of the unaudited net assets (excluding minority interests) of Conch Holdings as at 30 June 2020. The debt repayment plan for the 2012 Corporate Bonds issued by the Company is as follows:

## 9. Information on Corporate Bonds

The interests of the 2012 Corporate Bonds of the Company which have a maturity of ten years shall be paid by the issuer through the share registrar and the relevant authorities on 7 November of each year during the period from the first year to the tenth year after the issuance date, and the principal amount shall be paid by the issuer through the share registrar and the relevant authorities on 7 November 2022. For the investors who have exercised their sell-back options, the interest of the corporate bonds sold back was paid by the issuer through the share registrar and the relevant authorities on 7 November of each year during the period from the first year to the seventh year after the issuance date, and the principal amount of the corporate bonds sold back was paid by the issuer through the share registrar and the relevant authorities on 7 November 2019.

During the Reporting Period, the Company strictly executed the aforesaid debt repayment plan, so as to protect the interests of the creditors of the Company.

The major financial indicators (unaudited) of Conch Holdings, the guarantor for the 2012 Corporate Bonds of the Company, as at 30 June 2020 are as follows:

<b>Items</b>	<b>30 June 2020</b>
Net assets (RMB hundred million)	<b>1,611.38</b>
Gearing ratio (%)	<b>29.33</b>
Return on net assets (%)	<b>10.74</b>
Current ratio (times)	<b>2.79</b>
Quick ratio (times)	<b>2.49</b>

### (6) MEETINGS OF CORPORATE BOND HOLDERS

During the Reporting Period, the Company did not convene any meeting of corporate bond holders.

### (7) PERFORMANCE OF THE TRUSTEE OF THE CORPORATE BONDS

During the Reporting Period, Zhong De Securities Company Limited disclosed the Trustee Report on the 2012 Corporate Bonds of Anhui Conch Cement Company Limited (2019) in April 2020, which mainly contained the information regarding the operation and financial position of the issuer for the year, utilization of the proceeds, credibility of the guarantor for the corporate bonds, interest payment and sell-back of the bonds for the current period and the rating tracking of the bonds.

## 9. Information on Corporate Bonds

### (8) ACCOUNTING INFORMATION AND FINANCIAL INDICATORS OF THE COMPANY UP TO THE END OF THE REPORTING PERIOD AND THE PREVIOUS YEAR (OR THE CORRESPONDING PERIOD OF THE REPORTING PERIOD AND THE PREVIOUS YEAR)

Major indicators	30 June 2020 (Unaudited)	31 December 2019	Change as at the end of the Reporting Period as compared to that at the end of the previous year (%)	Reason for the change
Current ratio (%)	379.01	354.14	Increase by 24.87 percentage points	Increase in current assets such as currency capital and trade receivables
Quick ratio (%)	353.69	333.82	Increase by 19.87 percentage points	Increase in current assets such as currency capital and trade receivables
Gearing ratio (%)	18.81	20.39	Decrease by 1.58 percentage points	Increase in total assets of the Company
Loan repayment rate (%)	100	100	-	-

Major indicators	Six months ended 30 June 2020 (Unaudited)	Six months ended 30 June 2019 (Unaudited)	Change from that of the corresponding period of the previous year (%)	Reason for the change
EBITDA interest coverage ratio	111.40	98.69	12.88	Increase in total profits and decrease in financial expenses
Interest payment ratio (%)	100	100	-	-

## 9. Information on Corporate Bonds

### (9) ASSETS OF THE COMPANY AT THE END OF THE REPORTING PERIOD

As at the end of the Reporting Period, no assets of the Company were charged, pledged, distressed, frozen or can 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 other rights were restricted. There were not any other senior debts that have defensive power against a third party.

### (10) PAYMENT OF INTERESTS PAYABLE ON OTHER BONDS AND DEBT FINANCING INSTRUMENTS OF THE COMPANY

Other than the 2012 Corporate Bonds and the 2011 Corporate Bonds of Anhui Conch Cement Company Limited which had been fully paid and delisted in 2018, the Company did not have any other bonds and debt financing instruments.

### (11) BANK FACILITIES OF THE COMPANY DURING THE REPORTING PERIOD

As at the end of the Reporting Period, the facilities granted to the Company by all the banks in aggregate amounted to RMB62,785 million (including RMB57,967 million and US\$681 million) of which an aggregate amount of RMB10,256 million (including RMB7,613 million and US\$373 million) was drawn and an aggregate amount of RMB52,529 million (including RMB50,354 million and US\$308 million) remained unutilized. During the Reporting Period, the Company obtained new bank loans in an aggregate amount of RMB2,936 million according to the needs for the operation and development of the Company, and repaid bank loans of RMB1,607 million.

### (12) PERFORMANCE OF THE AGREEMENTS OR UNDERTAKINGS UNDER THE PROSPECTUS OF CORPORATE BONDS BY THE COMPANY DURING THE REPORTING PERIOD

During the Reporting Period, there was no breach of terms of the prospectus of corporate bonds by the Company.

### (13) SIGNIFICANT EVENTS AND THEIR IMPACTS ON THE OPERATION AND SOLVENCY OF THE COMPANY

During the Reporting Period, the Company did not have any significant events which might impact the operation and solvency of the Company.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of profit or loss

for the six months ended 30 June 2020 – unaudited

(Expressed in Renminbi Yuan ("RMB"))

	Note	Six months ended 30 June	
		2020 RMB'000	2019 RMB'000
<b>Revenue</b>	4	<b>74,006,895</b>	71,643,826
Cost of sales and services rendered		<b>(51,348,962)</b>	(49,045,000)
<b>Gross profit</b>		<b>22,657,933</b>	22,598,826
Other revenue	5(a)	<b>2,283,562</b>	1,674,710
Other net income	5(b)	<b>11,847</b>	67,324
Selling and marketing costs		<b>(1,791,651)</b>	(1,983,125)
Administrative expenses		<b>(1,853,583)</b>	(2,198,191)
<b>Profit from operations</b>		<b>21,308,108</b>	20,159,544
Finance costs	6(a)	<b>(216,603)</b>	(234,809)
Share of profits of associates		<b>160,966</b>	167,153
Share of profits of joint ventures		<b>261,871</b>	267,174
<b>Profit before taxation</b>	6	<b>21,514,342</b>	20,359,062
Income tax	7	<b>(4,878,210)</b>	(4,717,522)
<b>Profit for the period</b>		<b>16,636,132</b>	15,641,540
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>16,086,075</b>	15,281,711
Non-controlling interests		<b>550,057</b>	359,829
<b>Profit for the period</b>		<b>16,636,132</b>	15,641,540
<b>Earnings per share</b>	8		
Basic		<b>RMB3.04</b>	RMB2.88
Diluted		<b>RMB3.04</b>	RMB2.88

The notes on pages 80 to 113 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 19.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of profit and loss and other comprehensive income

for the six months ended 30 June 2020 – unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
<b>Profit for the period</b>	<b>16,636,132</b>	15,641,540
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
<b>Item that will not be reclassified to profit or loss:</b>		
Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserve (non-recycling)	112,146	9,537
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of financial statements of overseas subsidiaries	(38,183)	9,929
Shares of other comprehensive income of associates	20,406	3,150
<b>Other comprehensive income for the period</b>	<b>94,369</b>	22,616
<b>Total comprehensive income for the period</b>	<b>16,730,501</b>	15,664,156
<b>Attributable to:</b>		
Equity shareholders of the Company	16,171,799	15,303,271
Non-controlling interests	558,702	360,885
<b>Total comprehensive income for the period</b>	<b>16,730,501</b>	15,664,156

The notes on pages 80 to 113 form part of this interim financial report.



## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of financial position

at 30 June 2020 – unaudited

(Expressed in Renminbi Yuan)

	Note	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment			
– Investment properties	9	84,673	85,734
– Other property, plant and equipment	10	72,182,909	70,163,505
Intangible assets		5,485,805	5,048,093
Goodwill		576,042	514,398
Interests in associates		2,150,989	2,057,501
Interests in joint ventures		1,959,619	1,763,112
Loans and receivables	11	437,823	374,312
Long-term prepayments		10,000	133,000
Financial assets measured at fair value through other comprehensive income	12	469,236	326,096
Deferred tax assets		970,827	1,099,391
		<b>84,327,923</b>	<b>81,565,142</b>
<b>Current assets</b>			
Inventories	13	6,605,277	5,571,523
Assets held for sale		–	9,811
Trade receivables	14	11,412,898	12,995,665
Financial assets measured at fair value through profit and loss (“FVPL”)		14,760,940	16,782,737
Prepayments and other receivables	15	4,268,700	6,495,639
Amounts due from related parties	22(d)	271,910	347,819
Tax recoverable		26,984	31,768
Restricted cash deposits		477,824	459,336
Bank deposits with maturity over three months		44,103,597	32,503,597
Cash and cash equivalents	16	17,038,515	22,014,145
		<b>98,966,645</b>	<b>97,212,040</b>

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of financial position (Continued)

at 30 June 2020 – unaudited  
(Expressed in Renminbi Yuan)

	Note	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
<b>Current liabilities</b>			
Trade payables	17	5,968,591	7,145,833
Other payables and accruals		7,104,997	8,248,581
Current portion of long-term payables		468,674	437,358
Contract liabilities		3,731,645	3,492,486
Bank loans and other borrowings	18	5,889,517	3,917,815
Lease liabilities		16,853	20,275
Amounts due to related parties	22(d)	337,179	263,521
Current taxation		2,564,771	3,895,321
		<b>26,082,227</b>	27,421,190
<b>Net current assets</b>			
		<b>72,884,418</b>	69,790,850
<b>Total assets less current liabilities</b>			
		<b>157,212,341</b>	151,355,992
<b>Non-current liabilities</b>			
Bank loans and other borrowings	18	6,726,503	7,369,346
Lease liabilities		31,196	34,833
Long-term payables		447,834	458,132
Deferred income		676,528	639,134
Deferred tax liabilities		680,851	723,773
		<b>8,562,912</b>	9,225,218
<b>NET ASSETS</b>			
		<b>148,649,429</b>	142,130,774

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of financial position (Continued)

at 30 June 2020 – unaudited

(Expressed in Renminbi Yuan)

	Note	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
<b>CAPITAL AND RESERVES</b>			
Share capital		5,299,303	5,299,303
Reserves		137,524,340	131,887,099
<b>Total equity attributable to equity shareholders of the Company</b>		<b>142,823,643</b>	137,186,402
<b>Non-controlling interests</b>		<b>5,825,786</b>	4,944,372
<b>TOTAL EQUITY</b>		<b>148,649,429</b>	142,130,774

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of changes in equity

for the six months ended 30 June 2020 – unaudited

(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company												
	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Share of other comprehensive income of investees RMB'000	Retained profits RMB'000	Non-controlling interests		Total equity RMB'000	
										Total	RMB'000		RMB'000
Balance at 1 January 2019		5,299,303	10,135,850	224,624	(57,280)	2,649,654	160,103	7,428	94,056,906	112,476,588	3,712,595	116,189,183	
<b>Changes in equity for the six months ended 30 June 2019:</b>													
Profit for the period		-	-	-	-	-	-	-	15,281,711	15,281,711	359,829	15,641,540	
Other comprehensive income		-	-	-	8,873	-	9,537	3,150	-	21,560	1,056	22,616	
<b>Total comprehensive income</b>		-	-	-	8,873	-	9,537	3,150	15,281,711	15,303,271	360,885	15,664,156	
Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(261,881)	(261,881)	
Dividends approved in respect of the previous year	19(b)	-	-	-	-	-	-	-	(8,955,821)	(8,955,821)	-	(8,955,821)	
Capital contribution received by non-wholly owned subsidiaries from non-controlling shareholders		-	-	-	-	-	-	-	-	-	365,579	365,579	
Share of change of capital reserve of the investees		-	-	5,610	-	-	-	-	-	5,610	-	5,610	
<b>Balance at 30 June 2019</b>		<b>5,299,303</b>	<b>10,135,850</b>	<b>230,234</b>	<b>(48,407)</b>	<b>2,649,654</b>	<b>169,640</b>	<b>10,578</b>	<b>100,382,796</b>	<b>118,829,648</b>	<b>4,177,178</b>	<b>123,006,826</b>	

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of changes in equity (Continued)

for the six months ended 30 June 2020 – unaudited

(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company											
	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Share of other comprehensive income of investees RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
Balance at 30 June 2019 and 1 July 2019		5,299,303	10,135,850	230,234	(48,407)	2,649,654	169,640	10,578	100,382,796	118,829,648	4,177,178	123,006,826
<b>Changes in equity for the six months ended 31 December 2019:</b>												
Profit for the period		-	-	-	-	-	-	-	18,348,092	18,348,092	401,390	18,749,482
Other comprehensive income		-	-	-	17,643	-	(12,807)	6,864	-	11,700	4,244	15,944
Total comprehensive income		-	-	-	17,643	-	(12,807)	6,864	18,348,092	18,359,792	405,634	18,765,426
Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(30,974)	(30,974)
Dividends approved in respect of the previous year		-	-	-	-	-	-	-	-	-	-	-
Capital contribution received by non-wholly owned subsidiaries from non-controlling shareholders		-	-	-	-	-	-	-	-	-	392,534	392,534
Share of change of capital reserve of the investees		-	-	(3,038)	-	-	-	-	-	(3,038)	-	(3,038)
<b>Balance at 31 December 2019</b>		<b>5,299,303</b>	<b>10,135,850</b>	<b>227,196</b>	<b>(30,764)</b>	<b>2,649,654</b>	<b>156,833</b>	<b>17,442</b>	<b>118,730,888</b>	<b>137,186,402</b>	<b>4,944,372</b>	<b>142,130,774</b>

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of changes in equity (Continued)

for the six months ended 30 June 2020 – unaudited

(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company											
	Note	Share capital RMB'000	Share premium RMB'000	Capital reserve RMB'000	Exchange reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve (non-recycling) RMB'000	Share of other comprehensive income of investees RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
<b>Balance at 1 January 2020</b>		5,299,303	10,135,850	227,196	(30,764)	2,649,654	156,833	17,442	118,730,888	137,186,402	4,944,372	142,130,774
<b>Changes in equity for the six months ended 30 June 2020:</b>												
Profit for the period		-	-	-	-	-	-	-	16,086,075	16,086,075	550,057	16,636,132
Other comprehensive income		-	-	-	(46,828)	-	168,353	20,406	-	141,931	8,645	150,576
<b>Total comprehensive income</b>		-	-	-	(46,828)	-	168,353	20,406	16,086,075	16,228,006	558,702	16,786,708
Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	(269,276)	(269,276)
Dividends approved in respect of the previous year	19(b)	-	-	-	-	-	-	-	(10,598,605)	(10,598,605)	-	(10,598,605)
Capital contribution received by non-wholly owned subsidiaries from non-controlling shareholders		-	-	-	-	-	-	-	-	-	255,000	255,000
Acquisition of subsidiary with non-controlling interests		-	-	-	-	-	-	-	-	-	336,988	336,988
Other comprehensive income carried forward to retained earnings		-	-	-	-	-	(56,207)	-	56,207	-	-	-
Share of change of capital reserve of the investees		-	-	7,840	-	-	-	-	-	7,840	-	7,840
<b>Balance at 30 June 2020</b>		5,299,303	10,135,850	235,036	(77,592)	2,649,654	268,979	37,848	124,274,565	142,823,643	5,825,786	148,649,429

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Condensed consolidated cash flow statement

for the six months ended 30 June 2020 – unaudited  
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
<b>Operating activities</b>		
Cash generated from operations	20,845,964	21,044,752
– Income tax paid	(6,284,375)	(6,540,428)
– Interest paid	(110,227)	(122,537)
<b>Net cash generated from operating activities</b>	<b>14,451,362</b>	<b>14,381,787</b>
<b>Investing activities</b>		
Payments for purchase of property, plant and equipment, lease prepayment and intangible assets	(3,518,051)	(3,194,376)
Proceeds from maturity of bank deposits with maturity over three months	15,613,272	21,000,000
Investment in bank deposits with maturity over three months	(27,213,272)	(13,500,000)
Receipts from wealth management products issued by banks	11,000,000	10,000,000
Payments for purchase of wealth management products issued by banks	(7,000,000)	(14,500,000)
Investment income on wealth management products issued by banks	459,503	222,510
Interest income on financial assets measured at amortised cost	1,194,140	466,456
Proceeds from disposal of financial assets measured at fair value through other comprehensive income	62,595	–
Payments for acquisition of subsidiaries and non-controlling interests	(412,011)	(13,461)
Other cash flows arising from investing activities	64,399	(57,393)
<b>Net cash (used in)/generated from investing activities</b>	<b>(9,749,425)</b>	<b>423,736</b>

The notes on pages 80 to 113 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Condensed consolidated cash flow statement (Continued)

for the six months ended 30 June 2020 – unaudited  
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
<b>Financing activities</b>		
Capital element of lease rentals paid	(9,441)	(8,552)
Proceeds from new bank loans and other borrowings	2,913,035	2,411,090
Repayments of bank loans and other borrowings	(1,997,900)	(2,548,079)
Dividends paid to equity shareholders of the Company	(10,602,157)	(8,850,579)
Capital contribution from non-controlling interests	255,000	365,579
Other cash flow arising from financing activities	(253,350)	(265,140)
<b>Net cash used in financing activities</b>	<b>(9,694,813)</b>	<b>(8,895,681)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,992,876)</b>	<b>5,909,842</b>
<b>Effect of foreign exchange rate changes</b>	<b>17,246</b>	<b>2,620</b>
<b>Cash and cash equivalents at 1 January</b>	<b>22,014,145</b>	<b>9,857,672</b>
<b>Cash and cash equivalents at 30 June</b>	<b>17,038,515</b>	<b>15,770,134</b>

The notes on pages 80 to 113 form part of this interim financial report.



# 10. Financial Accounting Report (Unaudited)

## Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

### 1 BASIS OF PREPARATION

This interim financial report of Anhui Conch Cement Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) 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 21 August 2020.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2019 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2020 annual financial statements. Details of any changes in accounting policies are set out in note 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 2019 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 International Financial Reporting Standards (“IFRSs”).

The 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 2019 that is included in the 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 2019 are available from the Company’s registered office. The independent auditors have expressed an unqualified opinion on those financial statements in their report dated 20 March 2020.

### 2 CHANGES IN ACCOUNTING POLICIES

The Group has applied the following amendments to IFRSs issued by the IASB to these financial statements for the current accounting period:

- Amendments to IFRS 3, *Definition of a Business*
- Amendment to IFRS 16, *Covid-19-Related Rent Concessions*

Other than the amendment to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 2 CHANGES IN ACCOUNTING POLICIES (CONTINUED)

##### **Amendments to IFRS 3, Definition of a Business**

The amendments clarify the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or Group of similar identifiable assets.

The Group has applied the amendments prospectively to transactions for which the acquisition date is on or after 1 January 2020. The adoption of the amendment has not a significant impact on the consolidated financial statements.

##### **Amendment to IFRS 16, Covid-19-Related Rent Concessions**

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic (“COVID-19-related rent concessions”) are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has elected to early adopt the amendments and applies the practical expedient to all qualifying COVID-19-related rent concessions granted to the Group during the interim reporting period. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2020.

#### 3 BUSINESS COMBINATION

The Group acquired 51% equity interests in Wuhu South Cement Co., Ltd. from the third party at a cash consideration of RMB412,386,000 on 30 April 2020. The acquired subsidiary is located in the PRC and is principally engaged in the manufacture and sale of clinker and cement related products.

During the period from the acquisition date to 30 June 2020, the acquired subsidiary contributed revenue of RMB276,405,000 and profit of RMB72,309,000 to the Group’s results. Had the acquisition occurred on 1 January 2020, management estimates that the consolidated revenue of the Group for the year ended 30 June 2020 would have been RMB74,420,706,000 and the consolidated profit for the year would have been RMB16,676,242,000. In determining these amounts, management has assumed that the fair value adjustments that arose on the acquisition date would remain the same as if the acquisition had occurred on 1 January 2020. Details of the acquired subsidiary is as follows:

<b>Name of the company</b>	<b>Voting right/ equity interests</b>	<b>Date of acquisition</b>	<b>Principal activities</b>
Wuhu South Cement Co., Ltd. (“Wuhu South Cement”) 蕪湖南方水泥有限公司	51%	30 April 2020	Manufacture and sale of clinker and cement products

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 3 BUSINESS COMBINATION (CONTINUED)

Summary of net assets acquired in Wuhu South Cement and the goodwill arising at the acquisition date is as follows:

Fair value of identifiable assets acquired and liabilities assumed:

	<b>RMB'000</b>
Property, plant and equipment	1,119,522
Intangible assets	487,829
Deferred tax assets	1,609
Inventories	45,196
Trade receivables, prepayments and other receivables	41,907
Cash and cash equivalents	14,519
Trade payables	(122,489)
Other payables and contract liabilities	(804,054)
Deferred tax liabilities	(96,309)
<b>Total net identifiable assets of the acquiree</b>	<b>687,730</b>

#### Goodwill

Goodwill has been recognised as a result of the above acquisition as follows:

	<b>RMB'000</b>
Total cash consideration	412,386
Non-controlling interests, based on their proportionate interest in recognised amount of the assets and liabilities of the acquiree	336,988
<b>Fair value of net identifiable assets</b>	<b>(687,730)</b>
<b>Goodwill arising from the above acquisition</b>	<b>61,644</b>

The goodwill arises from the acquisition represents the benefits of expected synergies to be achieved from integrating the business into the Group's existing business, future market development potential and the acquired workforce.

#### 4 REVENUE AND SEGMENT REPORTING

The Group manages its businesses by divisions, which are 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 business operates: Eastern China, Central China, Southern China, Western China and overseas. All segments are primarily engaged in manufacture sale and trading of clinkers and cement products. No operating segments have been aggregated to form the following reportable segments.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

##### (a) Disaggregation of revenue

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

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by major products of service lines		
– Sales of clinker, cement products and other materials	48,134,587	48,815,974
– Trading of clinker, cement products	15,359,275	19,584,350
– Trading of other materials	10,266,989	3,146,564
– Service income	246,044	96,938
	<b>74,006,895</b>	<b>71,643,826</b>
Disaggregated by geographical location of customers		
– Eastern China	26,690,657	21,836,641
– Central China	21,660,313	24,699,932
– Southern China	10,228,266	9,754,065
– Western China	13,951,803	14,351,718
– Overseas	1,475,856	1,001,470
	<b>74,006,895</b>	<b>71,643,826</b>

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

##### (b) Information about profit or loss, 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 in the interim 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 of the PRC.

Disaggregation of revenue from contracts with customers by 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 period is set out below:

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

##### (b) Information about profit or loss, assets and liabilities (Continued)

For the six months ended 30 June 2020

	Eastern China RMB'000	Central China RMB'000	Southern China RMB'000	Western China RMB'000	Overseas RMB'000	Subtotal RMB'000	Elimination RMB'000	Total RMB'000
<b>Disaggregated by type of business</b>								
Sales of clinker, cement products and other materials	13,537,049	15,558,097	8,395,271	9,454,866	1,189,304	48,134,587	-	48,134,587
Trading	12,986,065	6,066,594	1,817,948	4,469,105	286,552	25,626,264	-	25,626,264
Service Income	167,543	35,622	15,047	27,832	-	246,044	-	246,044
<b>Revenue from external customers</b>	<b>26,690,657</b>	<b>21,660,313</b>	<b>10,228,266</b>	<b>13,951,803</b>	<b>1,475,856</b>	<b>74,006,895</b>	<b>-</b>	<b>74,006,895</b>
<b>Disaggregated by timing of revenue recognition</b>								
Point in time	26,523,114	21,624,691	10,213,219	13,923,971	1,475,856	73,760,851	-	73,760,851
Over time	167,543	35,622	15,047	27,832	-	246,044	-	246,044
<b>Revenue from external customers</b>	<b>26,690,657</b>	<b>21,660,313</b>	<b>10,228,266</b>	<b>13,951,803</b>	<b>1,475,856</b>	<b>74,006,895</b>	<b>-</b>	<b>74,006,895</b>
Inter-segment revenue	2,889,341	11,407,783	252,333	178,407	75,181	14,803,045	(14,803,045)	-
<b>Reportable segment revenue</b>	<b>29,579,998</b>	<b>33,068,096</b>	<b>10,480,599</b>	<b>14,130,210</b>	<b>1,551,037</b>	<b>88,809,940</b>	<b>(14,803,045)</b>	<b>74,006,895</b>
<b>Reportable segment profit (profit before taxation)</b>								
	2,621,411	25,769,294*	3,732,687	2,942,292	271,666	35,337,350	(13,840,890)	21,496,460
Interest income	8,614	1,141,866	6,859	9,982	6,535	1,173,856	(112,276)	1,061,580
Interest expense	(32,266)	(137,851)	(19,148)	(51,779)	(85,276)	(326,320)	109,717	(216,603)
Depreciation and amortisation for the period	(249,648)	(1,053,652)	(403,253)	(741,509)	(199,825)	(2,647,887)	5,126	(2,642,761)
<b>Reportable segment assets (including interests in associates and joint ventures)</b>								
	16,340,917	142,586,550	16,970,603	26,937,984	13,665,096	216,501,150	(33,206,582)	183,294,568
Investments in associates and joint ventures	-	1,670,798	-	2,150,990	288,820	4,110,608	-	4,110,608
Additions to non-current segment assets during the period	196,542	2,985,260	391,321	759,549	756,234	5,088,906	-	5,088,906
<b>Reportable segment liabilities</b>	<b>9,639,115</b>	<b>9,665,903</b>	<b>3,701,167</b>	<b>11,039,748</b>	<b>10,020,956</b>	<b>44,066,889</b>	<b>(9,593,542)</b>	<b>34,473,347</b>

\* Reportable segment profit of Central China includes dividend income from subsidiaries in Eastern China, Southern China, and Western China regions of RMB13,690,877,000 for the six months ended 30 June 2020.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

##### (b) Information about profit or loss, assets and liabilities (Continued)

For the six months ended 30 June 2019

	Eastern China RMB'000	Central China RMB'000	Southern China RMB'000	Western China RMB'000	Overseas RMB'000	Subtotal RMB'000	Elimination RMB'000	Total RMB'000
<b>Disaggregated by type of business</b>								
Sales of clinker, cement products and other materials	13,896,301	17,123,457	7,974,898	8,823,257	998,061	48,815,974	-	48,815,974
Trading	7,900,206	7,535,943	1,772,525	5,518,831	3,409	22,730,914	-	22,730,914
Service Income	40,134	40,532	6,642	9,630	-	96,938	-	96,938
<b>Revenue from external customers</b>	<b>21,836,641</b>	<b>24,699,932</b>	<b>9,754,065</b>	<b>14,351,718</b>	<b>1,001,470</b>	<b>71,643,826</b>	<b>-</b>	<b>71,643,826</b>
<b>Disaggregated by timing of revenue recognition</b>								
Point in time	21,796,507	24,659,400	9,747,423	14,342,088	1,001,470	71,546,888	-	71,546,888
Over time	40,134	40,532	6,642	9,630	-	96,938	-	96,938
<b>Revenue from external customers</b>	<b>21,836,641</b>	<b>24,699,932</b>	<b>9,754,065</b>	<b>14,351,718</b>	<b>1,001,470</b>	<b>71,643,826</b>	<b>-</b>	<b>71,643,826</b>
Inter-segment revenue	3,781,093	11,411,061	212,908	216,597	74,228	15,695,887	(15,695,887)	-
<b>Reportable segment revenue</b>	<b>25,617,734</b>	<b>36,110,993</b>	<b>9,966,973</b>	<b>14,568,315</b>	<b>1,075,698</b>	<b>87,339,713</b>	<b>(15,695,887)</b>	<b>71,643,826</b>
<b>Reportable segment profit (profit before taxation)</b>								
	2,512,592	12,606,948*	2,878,369	3,269,877	193,487	21,461,273	(1,102,211)	20,359,062
Interest income	8,079	979,932	9,130	13,969	2,448	1,013,558	(227,276)	786,282
Interest expense	(11,113)	(136,025)	(148,294)	(55,995)	(117,394)	(468,821)	234,012	(234,809)
Depreciation and amortisation for the period	(247,474)	(1,026,917)	(389,104)	(763,771)	(191,756)	(2,619,022)	16,134	(2,602,888)
<b>Reportable segment assets (including interests in associates and joint ventures)</b>								
	14,484,286	125,694,770	13,442,199	27,396,093	10,426,358	191,443,706	(39,321,084)	152,122,622
Investments in associates and joint ventures	-	1,509,779	-	1,885,905	154,115	3,549,799	-	3,549,799
Additions to non-current segment assets during the period	220,588	1,224,121	441,732	721,859	476,199	3,084,499	-	3,084,499
<b>Reportable segment liabilities</b>	<b>6,911,132</b>	<b>20,137,391</b>	<b>969,827</b>	<b>9,960,838</b>	<b>8,963,986</b>	<b>46,943,174</b>	<b>(17,827,378)</b>	<b>29,115,796</b>

\* Reportable segment profit of Central China includes dividend income from subsidiaries in Eastern China, Southern China and Western China regions of RMB1,023,349,000 for the six months ended 30 June 2019.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 4 REVENUE AND SEGMENT REPORTING (CONTINUED)

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

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
<b>Revenue</b>		
Reportable segment revenue	74,006,895	71,643,826
Consolidated revenue	74,006,895	71,643,826
<b>Profit</b>		
Reportable segment profit (profit before taxation)	21,496,460	20,336,000
Differences between CAS and IFRS*	17,882	23,062
	21,514,342	20,359,062
<b>Assets</b>		
Reportable segment assets	183,294,568	178,777,182
Consolidated total assets	183,294,568	178,777,182
<b>Liabilities</b>		
Reportable segment liabilities	34,473,347	36,456,734
Difference between CAS and IFRS*	171,792	189,674
Consolidated total liabilities	34,645,139	36,646,408

\* The differences mainly arise from the deferred income in respect of certain government grants recognised in profit and loss under IFRS.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 5 OTHER REVENUE AND NET INCOME

##### (a) Other revenue

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Interest income on financial assets measured at amortised cost	1,061,580	786,282
Subsidy income*	833,247	640,030
Investment income on wealth management products issued by banks	388,735	248,398
	<b>2,283,562</b>	<b>1,674,710</b>

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

##### (b) Other net income

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Net loss on disposal of property, plant and equipment	(18,206)	(39,845)
Net realised and unrealised loss on derivative financial instruments	(21,273)	(11,236)
Net exchange gain	20,872	84,888
Net gain on disposal of interest in associate	-	99
Others	30,454	33,418
	<b>11,847</b>	<b>67,324</b>



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 6 PROFIT BEFORE TAXATION

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

**(a) Finance costs:**

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Interest expense on financial liabilities not at fair value through profit or loss	217,335	233,461
Interest on lease liabilities	1,292	1,348
Less: Interest expense capitalised into construction-in-progress*	(2,024)	–
	<b>216,603</b>	<b>234,809</b>

\* The borrowing costs have been capitalised at the rate of 2.48% (six months ended 30 June 2019: nil).

**(b) Staff costs:**

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Salaries, wages and other benefits	2,699,747	3,034,616
Contributions to defined contribution retirement plans	78,853	276,348
Annuity	130,181	111,058
	<b>2,908,781</b>	<b>3,422,022</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 6 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items:

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Depreciation of investment property and other property, plant and equipment	2,496,446	2,501,305
Amortisation of intangible assets	146,315	101,583
Cost of inventories*	51,181,403	48,264,693

\* Cost of inventories includes RMB3,830,932,000 (six months ended 30 June 2019: RMB4,001,335,000) relating to staff costs and depreciation expenses which amount is also included in the respective total amounts disclosed separately above or in note 6(b) for each of these types of expenses.

#### 7 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for the period	4,897,062	4,650,307
Under-provision in respect of prior year	29,197	31,568
	4,926,259	4,681,875
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(48,049)	35,647
	4,878,210	4,717,522

No provision for Hong Kong Profits Tax was made for the six months ended 30 June 2020 and 2019 as the Group did not earn any income which is subject to Hong Kong Profits Tax.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

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

Conch International Holding (HK) Co., Ltd. (“Conch International”), a subsidiary in Hong Kong	16.5%
Luangprabang Conch Cement Co., Ltd. (“Luangprabang Conch”) and Vientiane Conch Cement Co., Ltd. (“Vientiane Conch”), subsidiaries in Laos	24%
Conch Cement Volga Limited Liability Company (“Volga Conch”), a subsidiary in Russia	20%
Battambang Conch Cement Company Limited (“Battambang Conch”), a subsidiary in Cambodia (Note (i))	20%
Qarshi Conch Cement Limited Liability Company (“Qarshi Conch”), a subsidiary in Uzbekistan	7.5%
Conch KT Cement (Phnom Penh) Company Limited (“Phnom Penh Conch”), a subsidiary in Cambodia	20%

Note:

- (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 when the company generates its revenue and income tax exemption for 6 years from the year when 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.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

Other individual companies within the Group in the mainland China are generally subject to corporate income tax at 25% on taxable income determined according to the relevant income tax rules and regulations, except for:

Qianxinan Resource Development Co., Ltd. (“Qianxinan”) 黔西南州發展資源開發有限公司 (Note (i))	15%
Pingliang Conch Cement Co., Ltd. (“Pingliang Conch”) 平涼海螺水泥有限責任公司 (Note (i))	15%
Dazhou Conch Cement Co., Ltd. (“Dazhou Conch”) 達州海螺水泥有限責任公司 (Note (i))	15%
Guangyuan Conch Cement Co., Ltd. (“Guangyuan Conch”) 廣元海螺水泥有限責任公司 (Note (i))	15%
Chongqing Conch Cement Co., Ltd. (“Chongqing Conch”) 重慶海螺水泥有限責任公司 (Note (i))	15%
Liquan Conch Cement Co., Ltd. (“Liquan Conch”) 禮泉海螺水泥有限責任公司 (Note (i))	15%
Guiyang Conch Panjiang Cement Co., Ltd. (“Guiyang Conch”) 貴陽海螺盤江水泥有限責任公司 (Note (i))	15%
Guiding Conch Panjiang Cement Co., Ltd. (“Guiding Conch”) 貴定海螺盤江水泥有限責任公司 (Note (i))	15%
Zunyi Conch Panjiang Cement Co., Ltd. (“Zunyi Conch”) 遵義海螺盤江水泥有限責任公司 (Note (i))	15%
Qianyang Conch Cement Co., Ltd. (“Qianyang Conch”) 千陽海螺水泥有限責任公司 (Note (i))	15%
Bazhong Conch Cement Co., Ltd. (“Bazhong Conch”) 巴中海螺水泥有限責任公司 (Note (i))	15%
Wenshan Conch Cement Co., Ltd. (“Wenshan Conch”) 文山海螺水泥有限公司 (Note (i))	15%
Longan Conch Cement Co., Ltd. (“Longan Conch”) 隆安海螺水泥有限責任公司 (Note (i))	15%

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

Linxia Conch Cement Co., Ltd. (“Linxia Conch”) 臨夏海螺水泥有限責任公司 (Note (i))	15%
Tongren Conch Panjiang Cement Co., Ltd. (“Tongren Conch”) 銅仁海螺盤江水水泥有限責任公司 (Note (i))	15%
Guizhou Liukuanguaian Cement Co., Ltd. (“Liukuanguaian”) 貴州六礦瑞安水泥有限公司 (Note (i))	15%
Qianxian Conch Cement Co., Ltd. (“Qianxian Conch”) 乾縣海螺水泥有限責任公司 (Note (i))	15%
Sichuan Nanwei Cement Co., Ltd. (“Nanwei Cement”) 四川南威水泥有限公司 (Note (i))	15%
Yunnan Zhuangxiang Cement Co., Ltd. (“Zhuangxiang Conch”) 雲南壯鄉水泥股份有限公司 (Note (i))	15%
Liangping Conch Cement Co., Ltd. (“Liangping Conch”) 梁平海螺水泥有限責任公司 (Note (i))	15%
Baoji Zhongxi Fenghuangshan Cement Co., Ltd. (“Fenghuangshan”) 寶雞眾喜鳳凰山水泥有限公司 (Note (i))	15%
Baoji Zhongxi Jinlinghe Cement Co., Ltd. (“Jinlinghe”) 寶雞市眾喜金陵河水泥有限公司 (Note (i))	15%
Guangxi Lingyun Tonghong Cement Co., Ltd. (“Lingyun Tonghong”) 廣西凌雲通鴻水泥有限公司 (Note (i))	15%
Baoshan Conch Cement Co., Ltd. (“Baoshan Conch”) 保山海螺水泥有限責任公司 (Note (i))	15%
Ganzhou Conch Cement Co., Ltd. (“Ganzhou Conch”) 贛州海螺水泥有限責任公司 (Note (i))	15%
Hami Hongyi Construction Co., Ltd. (“Hami Construction”) 哈密弘毅建材有限責任公司 (Note (i))	15%
Yingjiangyunhan Cement Co., Ltd. (“Yingjiangyunhan”) 盈江縣允罕水泥有限公司 (Note (i))	15%
Kunming Conch Cement Co., Ltd. (“Kunming Conch”) 昆明海螺水泥有限公司 (Note (i))	15%

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

Shanxi Tongchuan Fenghuang Construction Co., Ltd. (“Fenghuang Construction”) 陝西銅川鳳凰建材有限公司 (Note (i))	15%
Chongqing Material Trading Co., Ltd. (“Chongqing Trading”) 重慶海螺物資貿易有限責任公司 (Note (i))	15%
Anhui Wuhu Conch Construction and Installation Co., Ltd. (“Conch Construction”) 安徽蕪湖海螺建築安裝工程有限責任公司 (Note (ii))	15%
Anhui Conch Siam Refractory Material Co., Ltd. (“Refractory Material”) 安徽海螺暹羅耐火材料有限公司 (Note (ii))	15%

#### Notes:

- (i) Pursuant to Notice No.4 issued by the State Administration of Taxation of the People’s Republic of China (“the PRC”) on 10 March 2015 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. These companies mentioned above are entitled to a preferential income tax rate of 15% in 2020.
- (ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, enterprises are entitled to a preferential income tax rate of 15% after the recognition of high and new technology enterprise.

Conch Construction has obtained a high and new technology enterprise certification in 2015 and obtained a renewed certification in 2018. Accordingly, it is entitled to a preferential income tax rate of 15% from 2018 to 2020.

Refractory Material has obtained a high and new technology enterprise certification in 2016 and obtained a renewed certification in 2019. Accordingly, it is entitled to a preferential income tax rate of 15% from 2019 to 2021.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 8 EARNINGS PER SHARE

##### (a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2020 is based on the profit attributable to ordinary equity shareholders of the Company of RMB16,086,075,000 (six months ended 30 June 2019: RMB15,281,711,000) and the weighted average number of shares in issue during the six months ended 30 June 2020 of 5,299,303,000 shares (six months ended 30 June 2019: 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 2020 and 2019, therefore, diluted earnings per share is the same as the basic earnings per share.

#### 9 INVESTMENT PROPERTIES

During the six months ended 30 June 2020, the Group leased out one property with a carrying value of RMB603,000 (six months ended 30 June 2019: three properties with a carrying value of RMB25,810,000) under operating lease and classified the properties as investment properties accordingly.

During the six months ended 30 June 2020, the Group did not transfer investment property to other property, plant and equipment (six months ended 30 June 2019: nil) due to the termination of the leasing agreement and change of intention to hold for own use.

The rental income earned by the Group during the six months ended 30 June 2020 from its investment properties, all of which are leased out under operating leases, amounted to RMB3,445,000 (six months ended 30 June 2019: RMB3,717,000). Direct operating expenses arising from the investment properties amounted to RMB1,664,000 (six months ended 30 June 2019: RMB1,364,000).

#### 10 OTHER PROPERTY, PLANT AND EQUIPMENT

##### (a) Right-of-use assets

During the six months ended 30 June 2020, the Group entered into a number of lease agreements for use of land, office buildings, and cement transfer storages, and therefore recognised the additions of right-of-use assets of RMB119,511,000 (six months ended 30 June 2019: RMB132,357,000). The leases of cement transfer storages contain variable lease payment terms that are based on volume of cements transited through the transfer storages and minimum annual lease payment terms that are fixed. These payment terms are common in transfer storages business in Mainland China where the Group mainly operates.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 10 OTHER PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

##### (b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2020, the Group acquired property, plant and equipment with a cost of RMB4,441,705,000 (six months ended 30 June 2019: RMB2,817,476,000).

Items of property, plant and equipment with a carrying amount of RMB45,984,000 were disposed of during the six months ended 30 June 2020 (six months ended 30 June 2019: RMB68,274,000), resulting in a net loss on disposal of RMB18,206,000 (six months ended 30 June 2019: a net loss of RMB43,736,000).

#### 11 LOANS AND RECEIVABLES

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Loans and receivables	570,583	522,072
Less: Current portion of non-current loans and receivables (note 15)	(132,760)	(147,760)
	<b>437,823</b>	374,312

As at 30 June 2020, loans and receivables of the Group mainly represent a loan to a related party of the Group and advances made to local government authorities.

A loan of RMB27,960,000 (31 December 2019: RMB27,960,000) was made to Jiande Chengli Construction Material Co., Ltd. ("Chengli Construction Material") which is under the trust of the Group and is repayable on 21 October 2020 at a fixed interest rate of 6% per annum.

The advances of RMB115,000,000 (31 December 2019: RMB80,000,000) to government authorities are unsecured, bearing interest at rates from 4.35% to 4.75% (2019: from 4.35% to 4.75%) per annum, and repayable in 2020. The remaining advances of RMB455,583,000 (31 December 2019: RMB442,072,000) are unsecured, interest-free and repayable from 2020 to 2024.



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 12 FINANCIAL ASSETS MEASURED AT FVOCI

	Note	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Financial assets measured at FVOCI (non-recycling)			
- Listed equity securities (Non-trading propose)	(i)	397,460	254,320
- Unlisted equity investment (Non-trading purpose)	(ii)	71,776	71,776
		<b>469,236</b>	<b>326,096</b>

Note (i): Financial assets measured at FVOCI – listed equity securities held by the Group are shares in Anhui Xinli Finance Co., Ltd which is listed on the Shanghai Stock Exchange (“SSE”). The fair values of these investments are measured with reference to the respective quoted market prices as at 30 June 2020 and 31 December 2019.

Note (ii): The Group has acquired an unlisted equity investment by exchanging the equity interest in a subsidiary of the Group in July 2019 (see note 20(a)). The fair value of the unlisted equity investment on the acquisition date was determined by an independent appraiser at the amount of RMB71,776,000. As at 30 June 2020, the fair value of the unlisted equity investment is approximately the same as its cost.

#### 13 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Raw materials	3,113,709	2,616,808
Work in progress	231,475	268,545
Finished goods	2,639,254	2,310,089
Spare parts	620,839	376,081
	<b>6,605,277</b>	<b>5,571,523</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 13 INVENTORIES (CONTINUED)

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Carrying amount of inventories sold	51,181,403	48,264,693

All of the inventories are expected to be recovered within one years.

#### 14 TRADE RECEIVABLES

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
	Trade debtors	2,078,145
Less: loss allowance for doubtful debts	(16,105)	(17,331)
Bank acceptance notes receivable, carried at amortised cost	2,062,040	1,269,677
Commercial acceptance notes receivable, carried at amortised cost	6,627,400	8,368,902
Bank acceptance notes receivable, carried at fair value through other comprehensive income	176,378	6,500
	2,547,080	3,350,586
	11,412,898	12,995,665

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 14 TRADE RECEIVABLES (CONTINUED)

##### (a) Ageing analysis

The following ageing analysis of trade debtors (net of loss allowance) are based on invoice date as of the statement of financial position date.:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Within 1 year	2,055,037	1,257,023
1 to 2 years	7,003	12,654
2 to 3 years	-	-
More than 3 years	-	-
	<b>2,062,040</b>	<b>1,269,677</b>

Trade debtors are due within 30 to 60 days from the date of billing, except for retention money in respect of certain sales contracts which is due upon the expiry of the retention period. Bank acceptance notes receivable are due within 1 year from the date of issuance.

##### (b) Endorsed bank acceptance notes and commercial acceptance notes

As at 30 June 2020, the Group endorsed the undue bank acceptance notes receivable of RMB4,637,066,000 (31 December 2019: RMB6,975,154,000) to its suppliers to settle trade payables of the same amounts and derecognised these bank acceptance notes receivable and the payables to suppliers in their entirety as the Group's management considered that the risks and rewards of ownership of these undue bank acceptance notes have been substantially transferred. The Group's continuous involvement in these derecognised undue bank acceptance notes receivable is limited to when the issuance banks of these undue bank acceptance notes are unable to settle the amounts due to the holders of these bank acceptance notes. As at 30 June 2020, the maximum exposure to loss from its continuous involvement represents the amounts of bank acceptance notes receivable of RMB4,637,066,000 (31 December 2019: RMB6,975,154,000), which the Group endorsed to its suppliers. The endorsed undue bank acceptance notes receivable will be derecognised if management consider, based on its 'risks and rewards' evaluation, that the Group has transferred substantially all of the risks and rewards of ownership of the bank acceptance notes receivable.

As at 30 June 2020, undue bank acceptance notes receivable of RMB1,723,933,000 (31 December 2019: RMB3,577,773,000) and commercial acceptance notes receivable of RMB102,959,000 (31 December 2019: nil) endorsed to its suppliers to settle the trade payables were not derecognised because management believed that the credit risk of ownership were not substantially transferred. The associated trade payables were also not derecognised. The carrying amounts of these undue bank acceptance notes receivable, commercial acceptance notes receivable and trade payables approximate its fair values. All these undue bank acceptance notes receivable and commercial acceptance notes were due within 1 year.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 14 TRADE RECEIVABLES (CONTINUED)

##### (c) Bank acceptance notes receivable, carried at fair value

Due to the requirement of cash management, the Group endorsed part of the bank acceptance notes receivable to the suppliers. The business model of bank acceptance notes management is for the purpose of collecting cash flow of contracts and sales. Therefore, the Group classified bank acceptance notes receivable of RMB2,547,080,000 (31 December 2019: RMB3,350,586,000) as bank acceptance notes receivable carried at fair value and whose changes are included in other comprehensive income.

#### 15 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Purchase prepayments	2,313,038	2,586,246
Current portion of loans and receivables (note 11)	132,760	147,760
Value-added tax and other tax prepayments	372,866	393,324
Interest receivables	447,201	579,762
Wealth management product issued by banks and investment income receivable*	–	2,070,767
Other receivables**	1,002,835	717,780
	<b>4,268,700</b>	<b>6,495,639</b>

Except for certain security deposits which do not have fixed payment terms, all of the prepayments and other receivables are expected to be recovered within one year.

\* As at 31 December 2019, the balance represents an investment in a short-term wealth management product issued by banks. The principal amount of the product is RMB2,000,000,000 with a fixed interest rate of 4.5% per annum. The principal amount of the above wealth management product and the related investment income received in March 2020.

\*\* As at 30 June 2020, the balance of other receivables include dividends due from West China Cement Limited ("West Cement"), an associate of the Company, amounting to RMB72,297,000 (31 December 2019: nil).

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 16 CASH AND CASH EQUIVALENTS

	<b>At 30 June 2020 RMB'000</b>	At 31 December 2019 RMB'000
Bank deposits with maturity within three months	5,113,272	12,531,184
Cash at bank and on hand	11,925,243	9,473,955
Other cash and cash equivalents	-	9,006
Cash and cash equivalents in the consolidated statement of financial position and cash flow statement	<b>17,038,515</b>	22,014,145

#### 17 TRADE PAYABLES

Included in trade payables are trade creditors with the following aging analysis based on invoice dates as the end of the reporting period:

	<b>At 30 June 2020 RMB'000</b>	At 31 December 2019 RMB'000
Within 1 year (inclusive)	5,959,568	7,136,013
Between 1 and 2 years (inclusive)	6,576	6,270
Between 2 and 3 years (inclusive)	534	89
More than 3 years	1,913	3,461
	<b>5,968,591</b>	7,145,833

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 18 BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings are as follows:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
<b>Current bank loans and other borrowings</b>		
Unsecured bank loans	5,889,517	3,917,815
<b>Non-current bank loans and other borrowings</b>		
Unsecured bank loans	3,228,291	3,871,292
Unsecured debentures	3,498,212	3,498,054
	<b>6,726,503</b>	<b>7,369,346</b>

In November 2012, the Company issued corporate bonds with an aggregate principal amount of RMB3,500,000,000 with a maturity period of 10 years ("10-year bond"). The 10-year bond carried fixed annual interest rate of 5.10%, which is repaid annually.

Anhui Conch Holdings Co., Ltd. ("Conch Holdings"), the substantial shareholder of the Company, provides unconditional and irrevocable joint liability guarantee for the above bonds over the respective maturity periods.

At 30 June 2020 and 31 December 2019, the bank loans were repayable as follows:

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Within 1 year or on demand	5,889,517	3,917,815
After 1 year but within 2 years	1,442,381	991,555
After 2 years but within 5 years	1,455,910	2,524,737
After 5 years	330,000	355,000
Total non-current bank loans	3,228,291	3,871,292
	<b>9,117,808</b>	<b>7,789,107</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 19 CAPITAL, RESERVES AND DIVIDENDS

##### (a) Reserves

###### *Fair value reserve (non-recycling)*

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period.

##### (b) Dividends

Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB2.0 per share (six months ended 30 June 2019: RMB1.69 per share)	10,598,605	8,955,821

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

##### (c) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose adjusted net debt is calculated as bank loans and other borrowings plus lease liabilities and unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital represents total equity attributable to equity shareholders of the Company, less unaccrued proposed dividends.

In 2020, the Group's strategy, which was unchanged from 2019, was to maintain the adjusted net debt-to-capital ratio at a range considered reasonable by management. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 19 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

##### (c) Capital management (Continued)

The Group's adjusted net debt-to-capital ratio at the end of the current and previous reporting periods was as follows:

	Note	30 June 2020 RMB'000	31 December 2019 RMB'000
Current liabilities:			
Bank loans and other borrowings	18	5,889,517	3,917,815
Lease liabilities		16,853	20,275
Non-current liabilities:			
Bank loans and other borrowings	18	6,726,503	7,369,346
Lease liabilities		31,196	34,833
Total debt		12,664,069	11,342,269
Add: Proposed dividends		–	10,598,605
Less: Cash and cash equivalents	16	(17,038,515)	(22,014,145)
<b>Adjusted net (cash)/debt</b>		<b>(4,374,446)</b>	<b>(73,271)</b>
Total equity attributable to equity shareholders of the Company			
		142,823,643	137,186,402
Less: Proposed dividends		–	(10,598,605)
<b>Adjusted capital</b>		<b>142,823,643</b>	<b>126,587,797</b>
<b>Adjusted net debt-to-capital ratio</b>		<b>N/A</b>	<b>N/A</b>



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

##### (a) Financial assets and liabilities measured at fair value

###### (i) Financial instruments carried at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: Fair values measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3: Fair value measured using significant unobservable inputs

###### (ii) Fair value hierarchy

	Fair value measurements as at 30 June 2020 categorised into			
	Fair value at 30 June 2020 RMB'000	Quoted prices in active market for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
<b>Recurring fair value measurement</b>				
Financial assets:				
Financial assets measured at FVPL:				
– Wealth management product issued by bank	14,760,940	–	14,760,940	–
Financial assets measured at FVOCI:				
– Listed equity securities	397,460	397,460	–	–
– Unlisted equity securities	71,776	–	–	71,776
– Bank acceptance notes	2,547,080	–	2,547,080	–
	<b>17,777,256</b>	<b>397,460</b>	<b>17,308,020</b>	<b>71,776</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

##### (a) Financial assets and liabilities measured at fair value (Continued)

##### (ii) Fair value hierarchy (Continued)

	Fair value measurements as at 31 December 2019 categorised into			
	Fair value at 31 December 2019 RMB'000	Quoted prices in active market for identical assets (Level 1) RMB'000	Significant other observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000
<b>Recurring fair value measurement</b>				
Financial assets:				
Financial assets measured at FVPL:				
– Wealth management product issued by bank	16,782,212	–	16,782,212	–
– Derivative financial instruments	525	–	525	–
Financial assets measured at FVOCI:				
– Listed equity securities	254,320	254,320	–	–
– Unlisted equity securities	71,776	–	–	71,776
– Bank acceptance notes	3,350,586	–	3,350,586	–
	20,459,419	254,320	20,133,323	71,776

During the six months ended 30 June 2020, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2019: Nil).

##### Valuation techniques and inputs used in Level 2 fair value measurements

Derivative financial instruments in Level 2 are cross-currency swap contracts. The fair value of cross-currency swap contracts are determined using option model and observable inputs.

For wealth management product issued by banks that are measured at fair value through profit and loss, the fair value is determined by calculating based on the discounted cash flow method.

For bank acceptance notes that are measured at fair value through other comprehensive income, the fair value is estimated as the present value of the future cash flows, discounted at the market interest rates at the end of the reporting period.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 20 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (CONTINUED)

##### (a) Financial assets and liabilities measured at fair value (Continued)

###### (ii) Fair value hierarchy (Continued)

###### Valuation techniques and inputs used in Level 3 fair value measurements

The fair value of unlisted equity securities is determined based on medium market multiples (e.g. price-to-earnings ratio, price-to-sales ratio) of comparable companies or comparable transactions with a discount for lack of marketability as appropriate. Since the operating and financial status of the invested company has not undergone major changes, the fair value of unlisted equity securities is approximate to the cost of obtaining the equity securities.

##### (b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 30 June 2020 and 31 December 2019.

#### 21 COMMITMENTS

Capital commitments outstanding at 30 June 2020 not provided for in the interim financial report

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Contracted for	3,424,116	3,979,444
Authorised but not contracted for	811,374	871,538
	<b>4,235,490</b>	<b>4,850,982</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS

##### (a) Related parties information

<b>Name of related party</b>	<b>Nature of relationship</b>
Conch Holdings 安徽海螺集團有限責任公司	Substantial shareholder of the Company
China Conch Venture Holdings Limited ("China Conch Venture") 中國海螺創業控股有限公司	Major shareholder of Conch Holdings
Wuhu Conch Profiles and Science Co., Ltd. and its subsidiaries ("Conch Profiles and Science and its subsidiaries") 蕪湖海螺型材科技股份有限公司及其附屬公司	Subsidiary of Conch Holdings
Wuhu Conch International Hotel ("WH Conch Hotel") 蕪湖海螺國際大酒店	Subsidiary of Conch Holdings
Anhui Conch Construction Materials Design Institute Co., Ltd. ("Conch Design Institute") 安徽海螺建材設計研究院有限責任公司	Subsidiary of Conch Holdings
Anhui Conch Information Technology Engineering Co., Ltd. ("Conch IT Engineering") 安徽海螺信息技術工程有限責任公司	Subsidiary of Conch Holdings
Conch New Materials and its subsidiaries 安徽海螺新材料科技有限公司及其附屬公司	Subsidiary of Conch Holdings
Anhui Conch New Energy Co., Ltd. and its subsidiaries ("Conch New Energy and its subsidiaries") 安徽海螺新能源有限公司及其附屬公司	Subsidiary of Conch Holdings
Anhui Jinggong Testing and Inspection Center Co., Ltd. ("Jinggong Testing") 安徽精公檢測檢驗中心有限公司	Subsidiary of Conch Holdings
Wuhu Conch Trading Co., Ltd. ("WH Trading") 蕪湖海螺貿易有限公司	Subsidiary of Conch Holdings
Anhui International Trade Group Holding Co., Ltd. and its subsidiaries ("Anhui International Trade and its subsidiaries") 安徽國貿集團控股有限公司及其附屬公司	Subsidiary of Conch Holdings

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

##### (a) Related parties information (Continued)

<u>Name of related party</u>	<u>Nature of relationship</u>
Anhui Conch Kawasaki Engineering Co., Ltd. and its subsidiaries ("CK Engineering and its subsidiaries") 安徽海螺川崎工程有限公司及其附屬公司	Subsidiary of China Conch Venture
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. ("CK Equipment") 安徽海螺川崎節能設備製造有限公司	Subsidiary of China Conch Venture
Yangzhou Haichang Port Industrial Co., Ltd. ("HC Port") 揚州海昌港務實業有限責任公司	Subsidiary of China Conch Venture
Anhui Haizhong Environmental Protection Co., Ltd. and its subsidiaries ("Haizhong Environmental and its subsidiaries") 安徽海中環保有限責任公司及其附屬公司	Subsidiary of China Conch Venture
Anhui Conch Venture New Energy-saving Construction Material Co., Ltd. ("Conch Venture Green") 安徽海創新型節能建築材料有限責任公司	Subsidiary of China Conch Venture
Bozhou Conch Venture New Energy-saving Construction Material Co., Ltd. ("Bozhou Conch Venture Green") 亳州海創新型節能建築材料有限責任公司	Subsidiary of China Conch Venture
Wuhu Conch Investment Co., Ltd. and its subsidiaries ("WH Investment and its subsidiaries") 蕪湖海螺投資有限公司及其附屬公司	Subsidiary of China Conch Venture
Wuhu Conch Venture Enterprise Limited ("Conch Venture Wuhu") 蕪湖海創實業有限責任公司	Subsidiary of China Conch Venture
Wuhu Electric Conch Clean Energy Co., Ltd. ("Clean Energy") 蕪湖市國家電投海螺清潔能源有限公司	Joint venture of the subsidiary of Conch Holdings

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

##### (a) Related parties information (Continued)

<b>Name of related party</b>	<b>Nature of relationship</b>
Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd. ("Conch Kawasaki Equipment") 安徽海螺川崎裝備製造有限公司	Joint venture of the Company
PT SDIC Papua Cement Indonesia ("Papua Cement") 國投印尼巴布亞水泥有限公司	Joint venture of the Company
Sino-Myanmar (Wuhu) International Trading Co., Ltd. ("Sino-Myanmar International") 中緬(蕪湖)國際貿易有限公司	Joint venture of the Company
Myanmar Conch Cement Company Limited ("Myanmar Conch") 緬甸海螺水泥有限公司	Joint venture of the Company
Myanmar Conch Cement (Yangon) Company Limited ("Yangon Conch") 緬甸海螺(仰光)水泥有限公司	Joint venture of the Company
PT Eternal Richway 印尼富恒利有限公司	Joint venture of the Company
PT SULUT SOLOG TAMBANG 蘇魯特索隆礦山	Joint venture of the Company
Huaibei Mining Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北礦業相山水泥有限責任公司	Joint venture of the Company
West Cement 中國西部水泥有限公司	Associate of the Company
Chengli Construction Material 建德市成利建材有限公司	Under the trust of the Group

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

##### (b) Transactions between the Group and related parties

The Group has entered into the following material related party transactions:

###### (i) Transactions with Conch Holdings

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Receiving services and purchase of goods	16,244	15,108
Purchase of right of use assets	4,672	–
Interest expense on lease liabilities	106	33
Provision of services and sales of goods	857	849

As at 30 June 2020, bank loans and other borrowings amounting to RMB3,500,000,000 (31 December 2019: RMB3,500,000,000) are guaranteed by Conch Holdings.

###### (ii) Transactions with other related parties

	Six months ended 30 June	
	2020	2019
	RMB'000	RMB'000
Sales of goods	230,712	107,816
Sales of assets	1,958	–
Provision of services	60,760	49,216
Purchase of property, plant and equipment	140,729	178,673
Purchase of raw materials	1,305,624	1,067,528
Interest expense on lease liabilities	30	52
Receiving services	166,922	150,707
Interest income on loans	800	843

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

##### (b) Transactions between the Group and related parties (Continued)

###### (iii) Loan guarantees provided to other related parties

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Papua Cement	978,679	1,014,606
Myanmar Conch	47,787	47,089
	<b>1,026,466</b>	<b>1,061,695</b>

##### (c) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

	Six months ended 30 June	
	2020 RMB'000	2019 RMB'000
Short-term employees benefits	3,083	3,313
Post-employment benefits	100	231
	<b>3,183</b>	<b>3,544</b>

The above remuneration is disclosed in "staff costs" (see note 6(b)).



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

##### (d) Amounts due from/to related parties

###### (i) Due from related parties

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Papua Cement	19,800	58,043
Conch Kawasaki Equipment	49,808	75,866
Conch Design Institute	22,486	12,772
CK Equipment	43,293	29,673
Myanmar Conch	-	30,210
WH Investment and its subsidiaries	30,139	32,122
CK Engineering and its subsidiaries	12,654	2,787
Xiangshan Cement and its subsidiaries	24,166	26,411
Chengli Construction Material	29,456	30,154
PT Eternal Richway	32,376	34,214
Other related parties	7,732	15,567
	<b>271,910</b>	<b>347,819</b>

###### (ii) Due to related parties

###### (a) Lease liabilities to related parties

	At 30 June 2020 (Note i) RMB'000	At 31 December 2019 (Note i) RMB'000
Conch Holdings	3,960	4,681
HC Port	1,253	1,225
Bozhou Conch Venture Green	-	13
WH Conch Hotel	-	63
	<b>5,213</b>	<b>5,982</b>

Note i: The amount of lease liabilities to related parties are included in total lease liabilities.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 22 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

##### (d) Amounts due from/to related parties (Continued)

###### (ii) Due to related parties (Continued)

###### (b) Other amounts due to related parties

	At 30 June 2020 RMB'000	At 31 December 2019 RMB'000
Conch Kawasaki Equipment	27,910	13,670
CK Equipment	36,360	23,321
Conch Venture Wuhu	–	4,613
Papua Cement	2,525	4,111
Conch IT Engineering	36,454	15,776
CK Engineering and its subsidiaries	29,007	27,798
Conch Design Institute	9,818	11,663
Other related parties	195,105	162,569
	<b>337,179</b>	<b>263,521</b>

#### 23 CONTINGENT LIABILITIES

At 30 June 2020, outstanding letters of credit issued by the Group amounted to approximately RMB100,833,000 (31 December 2019: RMB145,297,000).

At 30 June 2020, the Group issued guarantees in relation to banking facilities to its related parties, Papua Cement and Myanmar Conch, amounting to RMB1,026,466,000 in aggregate (31 December 2019: RMB1,061,695,000). These facilities were utilised to the extent of RMB1,026,466,000 as at 30 June 2020 (31 December 2019: RMB1,061,695,000).

## 11. Documents for Inspection

- (1) Financial reports bearing the signatures and seals of the legal representative, officer-in-charge of the accounting function and officer-in-charge of the accounting department;
- (2) Originals of all the corporate documents and the announcements of the Company which were disclosed in newspaper designated by the China Securities Regulatory Commission during the Reporting Period;
- (3) A copy of this half-year report of the Company published on the Stock Exchange.

**Anhui Conch Cement Company Limited**

**Gao Dengbang**

Chairman

21 August 2020