



**2023 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 sixth meeting of the ninth session of the Board.
3. This interim report is unaudited.
4. Mr. Yang Jun, the officer-in-charge of the Company, Mr. Li Qunfeng, the officer-in-charge of the accounting function, and Mr. Fan Zhan, the 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. There does not exist that more than half of the Directors being unable to warrant the truthfulness, accuracy and completeness of the content of this report.
8. 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.

<b>1. Definitions</b>	<b>3</b>
<b>2. Corporate Profile and Major Financial Indicators</b>	<b>7</b>
<b>3. Management Discussion and Analysis</b>	<b>13</b>
<b>4. Report of the Directors</b>	<b>31</b>
<b>5. Corporate Governance</b>	<b>40</b>
<b>6. Environmental and Social Responsibilities</b>	<b>42</b>
<b>7. Significant Events</b>	<b>69</b>
<b>8. Changes in Shares and Shareholders</b>	<b>84</b>
<b>9. Information on Bonds</b>	<b>92</b>
<b>10. Financial Accounting Report (Unaudited)</b>	<b>93</b>

## Documents for Inspection

- (1) Financial reports bearing the signatures and seals of the officer-in-charge of the Company, the officer-in-charge of the accounting function and the officer-in-charge of the accounting department.
- (2) Originals of all the corporate documents and the announcements of the Company which were disclosed during the Reporting Period.
- (3) A copy of this interim report of the Company published on the website of the Stock Exchange.

# 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 Company Limited
Conch Science and Technology Innovation Materials	:	Anhui Conch Science and Technology Innovation Materials Co., Ltd. (formerly known as Anhui Conch Investment Company Limited)
Conch Technology	:	Anhui Conch Material Technology Company Limited (formerly known as Anhui Conch New Materials Technology Company Limited)
Conch Design Institute	:	Anhui Conch Construction Materials Design Institute Co., Ltd.
Conch IT Engineering	:	Anhui Conch Information Technology Engineering Co., Ltd.
Conch New Energy	:	Anhui Conch New Energy Co., Ltd.
Conch New Material	:	Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. (formerly known as Wuhu Conch Profiles and Science Co., Ltd.), a company listed on the SZSE (stock code: 000619)
Conch Accelerants Manufacturing Company	:	Anhui Conch Accelerants Manufacturing Engineering Technology Company Limited
Haihui Company	:	Anhui Haihui Supply Chain Technology Co., Ltd.

## 1. Definitions

Anhui Conch Venture Group	:	Anhui Conch Venture Group Co., Ltd. (formerly known as Anhui Conch Venture Investment Co., Ltd.)
Conch Venture	:	China Conch Venture Holdings Limited, a company listed on the Stock Exchange (stock code: 0586)
Conch Environment Protection	:	China Conch Environment Protection Holdings Limited, a company listed on the Stock Exchange (stock code: 0587)
Conch Venture Property	:	Wuhu Conch Venture Property Co., Ltd.
Conch Capital	:	Anhui Conch Capital Management Company Limited
Phnom Penh Conch	:	Conch KT Cement (Phnom Penh) Company Limited
Tashkent Conch	:	Tashkent Conch Cement Joint Venture Co., Ltd.
Shangfeng Friendship Company	:	Shangfeng Bridge of Friendship Co., Ltd.
Baling Conch	:	Jiangsu Baling Conch Cement Co., Ltd.
Mengcheng Conch	:	Mengcheng Conch Building Material Co., Ltd.
Ma'anshan Green Building Material	:	Ma'anshan Conch Green Building Material Co., Ltd.
Wuhu Construction Technology	:	Wuhu Conch Green Construction Technology Co., Ltd.
Haitong Capital	:	Haitong Capital Co., Ltd.
Wuhu Industrial Investment	:	Wuhu Industrial Investment Fund Company Limited
High New Fund	:	Wuhu High New Industry Development Fund Company Limited
Zhenye Investment	:	Wuhu Jinghu Zhenye Investment Fund Company Limited
Ningbo Shangyi	:	Ningbo Shangyi Software Company Limited

# 1. Definitions

Huaxin Cement	:	Huaxin Cement Co., Ltd., a company listed on both the SSE (stock code: 600801) and the Stock Exchange (stock code: 6655)
Shangfeng Cement	:	Gansu Shangfeng Cement Co., Ltd., a company listed on the SZSE (stock code: 000672)
Tianshan Cement	:	Xinjiang Tianshan Cement Co., Ltd., a company listed on the SZSE (stock code: 000877)
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)
West Construction	:	China West Construction Group Co., Ltd., a company listed on the SZSE (stock code: 002302)
Yatai Group	:	Jilin Yatai (Group) Co., Ltd., a company listed on the SSE (stock code: 600881)
Shuicheng Conch	:	Shuicheng Conch Panjiang Cement Co., Ltd.
associate	:	has the meaning ascribed to it under the HKSE Listing Rules
connected person	:	has the meaning ascribed to it under the HKSE Listing Rules
Regional Committee(s)	:	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 2023 to 30 June 2023
PRC Accounting Standards	:	China Accounting Standards for Business Enterprises
A Shares	:	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

## 1. Definitions

H Shares	:	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	:	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
Model Code	:	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the HKSE Listing Rules
SSE	:	Shanghai Stock Exchange
SSE Listing Rules	:	the Rules Governing the Listing of Stocks on the SSE
SZSE	:	Shenzhen Stock Exchange
clinker	:	semi-finished products made in the manufacturing process of cement
Hong Kong	:	the 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** : Yang Jun

**(3) Secretary to the Board (Joint Company Secretary)** : Zhou Xiaochuan

**Phone number** : 0086 553 8398976

**Fax number** : 0086 553 8398931

**Joint Company Secretary (Hong Kong)** : Leo P. Y. Chiu

**Phone number** : 00852 2111 3220

**Fax number** : 00852 2111 3299

**Securities Affairs Representative** : Wang Manbo

**Phone number** : 0086 553 8398911

**Fax number** : 0086 553 8398931

**E-mail** : dms@chinaconch.com



## 2. Corporate Profile and Major Financial Indicators

- (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** : 40/F, Jardine House, 1 Connaught Place, Central, Hong Kong
- (5) Media for disclosure of this report** : Shanghai Securities Journal, Securities Times
- Websites of the stock exchanges for disclosure of this report** : SSE: <http://www.sse.com.cn>  
Stock Exchange: <http://www.hkexnews.hk>
- Locations where this report is available for inspection** : Secretariat to the Board of the Company, SSE
- (6) Exchanges on which the Company's shares are listed:**
- H Shares** : Stock Exchange
- Stock code** : 00914
- Stock short name** : Conch Cement
- A Shares** : SSE
- Stock code** : 600585
- Stock short name** : Conch Cement

## 2. Corporate Profile and Major Financial Indicators

- (7) International auditors** : KPMG  
Registered Public Interest Entity Auditor in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)  
8th Floor, Prince's Building, 10 Chater Road, Central, Hong Kong
- PRC auditors** : KPMG Huazhen LLP (Special General Partnership)  
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

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

Table 1:

Items	As at 30 June 2023 (RMB'000) (Unaudited)	As at 31 December 2022 (RMB'000)	Increase or decrease at the end of the Reporting Period as compared to that at the end of the previous year (%)
Total assets	241,182,064	243,976,422	-1.15
Net assets attributable to equity shareholders of the Company	181,884,093	183,638,725	-0.96

## 2. Corporate Profile and Major Financial Indicators

Table 2:

Items	Six months ended 30 June 2023 (RMB'000) (Unaudited)	Six months ended 30 June 2022 (RMB'000) (Unaudited)	Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)
Net cash flows generated from operating activities	5,077,428	4,468,348	13.63
Revenue	65,436,307	56,275,749	16.28
Net profit attributable to equity shareholders of the Company	6,468,471	9,839,772	-34.26
Net profit excluding extraordinary items attributable to equity shareholders of the Company	6,158,494	9,298,520	-33.77
Basic earnings per share (RMB/share)	1.22	1.86	-34.26
Diluted earnings per share (RMB/share)	1.22	1.86	-34.26
Basic earnings per share after extraordinary items (RMB/share)	1.16	1.75	-33.77
Weighted average return on net assets (%)	3.48	5.30	Decreased by 1.82 percentage points
Weighted average return on net assets after extraordinary items (%)	3.31	5.01	Decreased by 1.70 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) from disposal of non-current assets	-60,466
(2) Government subsidy (excluding continuing government subsidy closely associated with the enterprise's normal business, granted in fixed amount or quantity in accordance with the State's policy and based on certain standards) included in the current income statement	269,220
(3) Gain/(loss) on entrusted investment or asset management	108,048
(4) Gain/(loss) on changes in the fair value of financial assets held for trading, derivative financial assets, financial liabilities held for trading and derivative financial liabilities, and investment gain from disposal of financial assets held for trading, derivative financial assets, financial liabilities held for trading, derivative financial liabilities and other debt investments excluding effective hedging business associated with the Company's normal business	69,053
(5) Gain/(loss) from external entrusted loans	1,360
(6) Entrusted fee income obtained from entrusted operation	8,994
(7) Other non-operating income and expenses other than the above items	18,804
(8) Effect of extraordinary items on income tax	-100,724
(9) Effect of extraordinary items on minority interests (after tax)	-4,312
<b>Total</b>	<b>309,977</b>

## 2. Corporate Profile and Major Financial Indicators

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

Items	Six months ended 30 June 2023 (RMB'000) (Unaudited)	Six months ended 30 June 2022 (RMB'000) (Unaudited)	Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)
Revenue	65,436,307	56,275,749	16.28
Net profit attributable to equity shareholders of the Company	6,755,607	9,970,554	-32.24

  

Items	As at 30 June 2023 (RMB'000) (Unaudited)	As at 31 December 2022 (RMB'000)	Increase or decrease at the end of the Reporting Period as compared to that at the end of the previous year (%)
Total assets	241,182,064	243,976,422	-1.15
Total liabilities	46,677,789	48,067,537	-2.89

### (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 2023 (RMB'000) (Unaudited)	Six months ended 30 June 2022 (RMB'000) (Unaudited)	As at 30 June 2023 (RMB'000) (Unaudited)	As at 31 December 2022 (RMB'000)
As reported in the statutory financial statements prepared in accordance with the PRC Accounting Standards	6,468,471	9,839,772	181,884,093	183,638,725
- Items not subject to “China Accounting Standards for Business Enterprises No. 16- Government Subsidy” and recognized on a deferred basis in accordance with IFRSs	12,407	15,859	-63,686	-76,093
- Difference arising from the implementation of “China Accounting Standards for Business Enterprises Interpretation No.3”	274,729	114,923	-	-
As reported in accordance with IFRSs	6,755,607	9,970,554	181,820,407	183,562,632

### 3. Management Discussion and Analysis

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

In the first half of 2023, with the economy and society fully back to normal, macro policies have been effective and the national economy has rebounded, but the foundation for a sustained economic recovery is not yet solid. On a comparable basis, the national fixed asset investment grew by 3.8% period-on-period, infrastructure investment grew by 7.2% period-on-period, real estate investment fell by 7.9% period-on-period. Infrastructure investment provided strong support for cement demand, but the main economic indicators in respect of real estate fell sharply as compared with those for the corresponding period of the previous year. In the wake of the downturn in the real estate market, demand in the cement market was weak, showing an overall sluggish situation and trend. The cumulative volume of cement produced by enterprises above national scale was 953 million tonnes, representing a period-on-period increase of 1.3% (on a comparable basis), being the lowest volume for the same period in the past 12 years. Based on the full-scale calculation of production volume, the cement production volume decreased by 2.4% as compared to that for the same period of the previous year, with a period-on-period decrease of approximately 24 million tonnes. Meanwhile, cement inventory was high, the marginal function of staggered production on the supply-demand relationship control was weakened, and the contradictions between supply and demand became more obvious. Industry competition intensified, prices remained at a low level, and the profitability of the cement industry declined. *(Data source: National Bureau of Statistics, Digital Cement)*

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

During the Reporting Period, the Group principally engaged in the production and sales of cement, commodity clinker, aggregate and concrete. Responding to the market demand, the Group's cement products mainly comprise 32.5-grade cement, 42.5-grade cement and 52.5-grade cement, which are widely used in large-scale national infrastructure construction projects such as railways, highways, airports and water conservancy projects as well as urban real estate development, cement products and the rural markets.

Cement belongs to the basic raw material industry and is a regional product, the sales of cement is limited by the modes of transportation and local cement prices, and its business model is different from that of daily consumer goods. The Group has adopted a sales model with a focus on direct sales and supplemented by distribution. The Group has a relatively extensive marketing network, with over 500 marketing departments in the regions across the PRC and overseas where the Group has operation. Meanwhile, the Group continued to improve its marketing strategy by continuing to promote the construction of waterway channels in the regional markets along the river and coastal areas, taking advantages of full industrial chain marketing of cement and consolidating the construction in the end markets, so as to further improve its marketing network and strengthen its market share.

### 3. Management Discussion and Analysis

During the Reporting Period, the Group steadily implemented its development strategy by continuing to optimize its marketing plan domestically and in overseas, pushing steadily for international development strategies, proactively extending the upstream and downstream industrial chain, while accelerating the development of emerging industries such as new energy, intelligent logistics, energy conservation and environmental protection and intelligent manufacturing.

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

Since its listing in 1997, the Company has been focusing on strengthening, optimizing and growing its core cement business by emphasizing independent innovation and technological innovation, vigorously pushing forward energy conservation and emission reduction and developing low-carbon recycling economy. After over 20 years of sustainable, healthy and steady development, and by refining internal management, strengthening market construction and promoting technological innovation, the Company has created a 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, boosting technological innovation, increasing devotion in environmental protection in a safe manner, and speeding up the construction of informationalized and intelligent factories and facilitating green low-carbon development, so as to further consolidate and improve its competitive advantages, and persistently strengthen the core competitiveness of the Group.

### 3. Management Discussion and Analysis

#### (4) MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS

##### Analysis on the Operational Conditions for the First Half of 2023

##### 1. Overview of operation development

In the first half of 2023, the Group actively responded to the complicated and difficult industry situation, strived to overcome the impact of unfavourable factors such as declining real estate investment, sluggish market demand and intensified industry competition. The Group strengthened the organisation of the production and sales and coordination of resources, and implemented precise strategies according to the then prevailing situation to stabilise the market share of its products. Based on the principle of “direct supply-oriented, multiple and complementary, and stability and efficiency”, the Group optimized the procurement channel for raw materials and fuel, gave full play to the advantages of large-scale procurement to achieve reduction of costs and increase in efficiency. The Group streamlined production and operation management, strengthened management and control of indicators and continuously improved quality of operation. It also coordinated green development and drove innovation, and promoted energy-saving and consumption-reducing technological improvements in an orderly manner, accelerated the transformation and application of intelligent construction achievements and continued to promote high-quality development.

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group’s revenue amounted to RMB65,436 million, representing an increase of 16.28% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB6,468 million, representing a decrease of 34.26% from that for the corresponding period of the previous year; and earnings per share were RMB1.22, representing a decrease of RMB0.64 per share from that for the corresponding period of the previous year. In accordance with the IFRSs, revenue amounted to RMB65,436 million, representing an increase of 16.28% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB6,756 million, representing a decrease of 32.24% from that for the corresponding period of the previous year; and earnings per share were RMB1.27, representing a decrease of RMB0.61 per share from that for the corresponding period of the previous year.



### 3. Management Discussion and Analysis

During the Reporting Period, the Group actively promoted the construction and development of projects, and continued to strengthen and optimize its core cement business and actively extended the industrial chain. As for core cement business, the low-carbon volume reduction replacement project of Shuicheng Conch was completed and put into operation, the construction of cement clinker production line projects of Tashkent Conch and Shangfeng Friendship Company in Uzbekistan and Phnom Penh Conch in Cambodia progressed in an orderly manner. The relocation project of grinding station of Baling Conch and the grinding station project of Mengcheng Conch commenced smoothly. As for the extension of industry chain, eight aggregate projects including Ma'anshan Green Building Material and Wuhu Construction Technology were put in operation smoothly, and eight operating commodity concrete projects were newly added in operation through new construction, merger and acquisitions, and leasing in a proactive manner.

During the Reporting Period, the Group increased the production capacity of aggregate by 21.60 million tonnes and that of commodity concrete by 7.8 million cubic meters, and the capacity of photovoltaic storage power generator by 38 MW. As at the end of the Reporting Period, the Group's production capacity of clinker, cement, aggregates and commodity concrete amounted to 269 million tonnes, 388 million tonnes, 130 million tonnes and 33.30 million cubic meters respectively, and the capacity of photovoltaic storage power generator amounted to 513 MW.

## 2. Major operational information during the Reporting Period

### (1) Analysis of revenue and cost

Principal activities by industry, product, region and sales model

Principal activities by industry

Industry	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year
Building material industry (sale of self-produced products)	42,408,859	30,690,234	27.63	-8.12	0.36	Decreased by 6.11 percentage points
Building material industry (trading business)	1,312,163	1,307,597	0.35	46.37	47.09	Decreased by 0.48 percentage point

### 3. Management Discussion and Analysis

#### Principal activities by product

Product	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year
Building material industry (sale of self-produced products) -42.5 grade cement <sup>Note 1</sup>	30,664,967	22,343,306	27.14	-5.08	4.87	Decreased by 6.91 percentage points
Building material industry (sale of self-produced products) -32.5 grade cement	5,053,752	3,395,326	32.82	-7.96	-4.70	Decreased by 2.29 percentage points
Building material industry (sale of self-produced products) -clinker	4,025,345	3,381,368	16.00	-40.62	-28.74	Decreased by 13.99 percentage points
Building material industry (sale of self-produced products) -aggregate and manufactured sand	1,687,616	716,379	57.55	116.84	108.10	Increased by 1.78 percentage points
Building material industry (sale of self-produced products) -commodity concrete	977,179	853,855	12.62	21.80	37.06	Decreased by 9.73 percentage points
Building material industry (trading business)	1,312,163	1,307,597	0.35	46.37	47.09	Decreased by 0.48 percentage point

### 3. Management Discussion and Analysis

#### Principal activities by region

Region	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year	Increase or decrease in operating cost over the corresponding period of the previous year	Increase or decrease in gross profit margin over the corresponding period of the previous year
				(%)	(%)	(%)
Building material industry (sale of self-produced products) -East China <sup>Note 2</sup>	11,930,821	8,934,608	25.11	-7.22	4.62	Decreased by 8.48 percentage points
Building material industry (sale of self-produced products) -Central China <sup>Note 3</sup>	13,703,488	9,505,228	30.64	-8.44	-1.55	Decreased by 4.85 percentage points
Building material industry (sale of self-produced products) -South China <sup>Note 4</sup>	7,418,682	5,231,455	29.48	-9.47	-2.50	Decreased by 5.05 percentage points
Building material industry (sale of self-produced products) -West China <sup>Note 5</sup>	7,072,524	5,405,854	23.57	-13.52	-3.94	Decreased by 7.62 percentage points
Building material industry (sale of self-produced products) -Export	108,120	85,140	21.25	102.11	72.32	Increased by 13.60 percentage points
Building material industry (sale of self-produced products) -Overseas	2,175,224	1,527,949	29.76	14.29	13.62	Increased by 0.41 percentage point
Building material industry (trading business)	1,312,163	1,307,597	0.35	46.37	47.09	Decreased by 0.48 percentage point

### 3. Management Discussion and Analysis

#### Principal activities by sales model

Sales model	Operating revenue (RMB'000)	Operating cost (RMB'000)	Gross profit margin (%)	Increase or decrease in operating revenue over the corresponding period of the previous year (%)	Increase or decrease in operating cost over the corresponding period of the previous year (%)	Increase or decrease in gross profit margin over the corresponding period of the previous year
Direct sale	24,781,075	17,406,820	29.76	-6.78	1.49	Decreased by 5.72 percentage points
Distribution	18,939,947	14,591,011	22.96	-7.46	1.90	Decreased by 7.08 percentage points

#### Notes:

- 42.5-grade cement includes cement of grade 42.5 and above;
- East China mainly includes Jiangsu, Zhejiang, Shanghai, Fujian and Shandong, etc.;
- Central China mainly includes Anhui, Jiangxi and Hunan, etc.;
- South China mainly includes Guangdong, Guangxi and Hainan;
- West China mainly includes Sichuan, Chongqing, Guizhou, Yunnan, Gansu, Shaanxi, Xinjiang and Inner Mongolia, etc.

#### Sales by industry

During the Reporting Period, the aggregate net sales volume of cement and clinker of the Group amounted to 134 million tonnes, representing a period-on-period increase of 3.00%. Revenue generated from principal activities amounted to RMB43,721 million, representing a period-on-period decrease of 7.08%. Operating cost amounted to RMB31,998 million, representing a period-on-period increase of 1.68%. The consolidated gross profit margin of products recorded a period-on-period decrease of 6.30 percentage points to 26.81%.

### 3. Management Discussion and Analysis

The sales volume of self-produced cement and clinker products of the Group amounted to 130 million tonnes, representing a period-on-period increase of 1.78%. Sales revenue from self-produced products amounted to RMB42,409 million, representing a period-on-period decrease of 8.12%. Cost of sales of self-produced products amounted to RMB30,690 million, representing a period-on-period increase of 0.36%. The consolidated gross profit margin of self-produced products recorded a period-on-period decrease of 6.11 percentage points to 27.63%.

During the Reporting Period, the Group achieved a sales volume of 3.81 million tonnes for its cement and clinker trading business, representing a period-on-period increase of 74.07%. Revenue from trading business amounted to RMB1,312 million, representing a period-on-period increase of 46.37%. Cost of trading business increased by 47.09% period-on-period to RMB1,308 million.

#### Sales by products

During the Reporting Period, the gross profit margin of the Group's 42.5-grade cement decreased by 7.11 percentage points period-on-period, the gross profit margin of the 32.5-grade cement decreased by 2.84 percentage points period-on-period and that of the clinker decreased by 13.86 percentage points period-on-period, among which, the gross profit margins of the Group's self-produced 42.5-grade cement, 32.5-grade cement and clinker decreased period-on-period by 6.91 percentage points, 2.29 percentage points and 13.99 percentage points respectively. The consolidated gross profit margin of aggregates and manufactured sand increased by 1.78 percentage points period-on-period to 57.55%; the consolidated gross profit margin of commodity concrete decreased by 9.73 percentage points period-on-period to 12.62%.

#### Sales by region

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

**In East China and South China regions**, due to the decrease in the selling price of products, sales amount decreased period-on-period by 7.22% and 9.47%, respectively, and gross profit margin decreased period-on-period by 8.48 percentage points and 5.05 percentage points, respectively.

**In Central China and West China regions**, due to the decreases in sales volume and selling price of products, sales amount decreased period-on-period by 8.44% and 13.52%, respectively, and gross profit margin decreased period-on-period by 4.85 percentage points and 7.62 percentage points, respectively.

### 3. Management Discussion and Analysis

During the Reporting Period, the Group's export sales volume increased by 90.82% period-on-period and export sales amount increased by 102.11% period-on-period. With the continuous improvement of the sales market network of overseas projects, the sales volume and sales amount of overseas project companies increased period-on-period by 4.93% and 14.29% respectively, and the quality of operation of overseas projects was steadily improved.

#### Sales by sales model

During the Reporting Period, the Group's direct sales amount decreased by 6.78% period-on-period and distribution amount decreased by 7.46% period-on-period; direct sales cost increased by 1.49% period-on-period and the distribution cost increased by 1.90% period-on-period; the consolidated gross profit margin of products through direct sales and that of products through distribution decreased by 5.72 percentage points and 7.08 percentage points period-on-period, respectively.

#### (2) Profit analysis

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

Items	Amount		Increase or decrease for the Reporting Period over the same period of the previous year (%)
	Six months ended 30 June 2023 (RMB'000) (Unaudited)	Six months ended 30 June 2022 (RMB'000) (Unaudited)	
Revenue from principal activities	<b>43,721,022</b>	47,052,551	-7.08
Profit from operations	<b>8,312,199</b>	12,650,910	-34.30
Profit before taxation	<b>8,504,003</b>	12,975,907	-34.46
Net profit attributable to equity shareholders of the Company	<b>6,468,471</b>	9,839,772	-34.26

During the Reporting Period, the Group's revenue from principal activities decreased by 7.08% period-on-period. Affected by the decrease in the selling price, the Group's profit from operations, profit before taxation and net profit attributable to equity shareholders of the Company recorded period-on-period decreases of 34.30%, 34.46% and 34.26% respectively.

### 3. Management Discussion and Analysis

#### (3) Analysis of costs and expenses

Consolidated costs of cement and clinker for the six months ended 30 June 2023 and their period-on-period changes

Items	Six months ended 30 June 2023		Six months ended 30 June 2022		Change in costs (%)	Increase or decrease in proportion of costs (percentage points)
	Unit costs	Proportion	Unit costs	Proportion		
	(RMB/tonne) (Unaudited)	(%)	(RMB/tonne) (Unaudited)	(%)		
Raw materials	37.02	16.57	38.05	16.46	-2.71	0.11
Fuel and power	141.26	63.23	148.31	64.14	-4.75	-0.91
Depreciation expense	15.07	6.75	14.50	6.27	3.93	0.48
Labour cost	11.99	5.37	12.50	5.40	-4.08	-0.03
Others	18.05	8.08	17.87	7.73	1.01	0.35
<b>Total</b>	<b>223.39</b>	<b>100</b>	<b>231.23</b>	<b>100</b>	<b>-3.39</b>	<b>-</b>

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

During the Reporting Period, unit cost of fuel and power decreased by 4.75% period-on-period, which was due to the period-on-period decrease of coal prices and period-on-period decrease of coal and electricity consumption.

### 3. Management Discussion and Analysis

#### 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 2023 (RMB'000) (Unaudited)	Amount for the six months ended 30 June 2022 (RMB'000) (Unaudited)	Increase or decrease for the Reporting Period over the corresponding period of the previous year (%)	Proportion over the principal activities for the Reporting Period (%)	Proportion over the principal activities for the corresponding period of the previous year (%)	Increase or decrease in the proportion over the principal activities (percentage points)
Selling expenses	1,627,155	1,525,062	6.69	3.72	3.24	0.48
Administrative expenses	3,134,691	2,708,066	15.75	7.17	5.76	1.41
Research and development expenses	707,058	815,475	-13.29	1.62	1.73	-0.11
Financial expenses (income is stated in negative)	-820,016	-945,417	-13.26	-1.88	-2.01	0.13
<b>Total</b>	<b>4,648,888</b>	<b>4,103,186</b>	<b>13.30</b>	<b>10.63</b>	<b>8.72</b>	<b>1.91</b>

During the Reporting Period, the Group's administrative expenses increased by 15.75% period-on-period, which was mainly due to the increase in the number of subsidiaries within the scope of consolidation of financial statements of the Group, as well as the increase in the standard for provision of safety expenses of non-coal mines as required by the Administrative Measures for the Extraction and Use of Enterprise Safety Production Expenses. The Group's research and development expenses decreased by 13.29% period-on-period, which was mainly due to the period-on-period decrease in expenditures for research and development of energy conservation and efficiency improvement technology. The Group's financial expenses (net income) decreased by 13.26% period-on-period, which was mainly due to a period-on-period decrease in unutilised fund of the Company and continued decline of market interest rates during the Reporting Period.

During the Reporting Period, excluding the impact of revenue from trading business, the proportion of selling expenses, administrative expenses, research and development expenses and financial expenses in aggregate over the revenue generated from principal activities was 10.96%, representing an increase of 2.07 percentage points period-on-period, which was mainly due to an increase in administrative expenses, and decreases in financial expenses (net income) and revenue from principal activities.



### 3. Management Discussion and Analysis

#### (4) Financial position

##### Asset and liability position

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

Items	As at 30 June 2023 (RMB'000) (Unaudited)	As a	As at 31 December 2022 (RMB'000)	As a	Increase or decrease in amounts as at the end of the Reporting Period from that at the end of the previous year (%)
		percentage of total assets as at the end of the Reporting Period (%)		percentage of total assets as at the end of the previous year (%)	
Cash at bank and on hand	60,741,491	25.18	57,865,704	23.72	4.97
Financial assets held for trading	3,136,852	1.30	10,754,921	4.41	-70.83
Inventories	10,741,320	4.45	11,678,995	4.79	-8.03
Long-term equity investment	7,008,893	2.91	6,792,655	2.78	3.18
Investments in other equity instruments	1,659,717	0.69	2,325,186	0.95	-28.62
Fixed assets	82,268,555	34.11	81,181,917	33.27	1.34
Construction in progress	11,166,352	4.63	8,387,067	3.44	33.14
Intangible assets	32,189,151	13.35	32,038,331	13.13	0.47
Total assets	241,182,064	100.00	243,976,422	100.00	-1.15
Short-term borrowings	10,946,404	4.54	10,037,364	4.11	9.06
Wages payables	395,273	0.16	1,639,167	0.67	-75.89
Contract liabilities	3,296,564	1.37	3,576,719	1.47	-7.83
Non-current liabilities due within a year	1,543,156	0.64	2,353,059	0.96	-34.42
Long-term borrowings	11,335,003	4.70	9,688,651	3.97	16.99
Total liabilities	46,606,392	19.32	47,982,828	19.67	-2.87
Total liabilities and equity	241,182,064	-	243,976,422	-	-1.15

### 3. Management Discussion and Analysis

As at the end of the Reporting Period, the Group's balance of financial assets held for trading decreased by 70.83% as compared to that at the end of the previous year, which was mainly due to recovery upon maturity of structured deposits and wealth management products during the Reporting Period; balance of investments in other equity instruments decreased by 28.62% as compared to that at the end of the previous year, which was mainly due to fluctuation of share prices of Conch Venture, Huaxin Cement, Xinli Finance during the Reporting Period; balance of construction in progress increased by 33.14% as compared to that at the end of the previous year, which was mainly attributable to the increase in the ongoing construction of cement production lines and aggregate projects during the Reporting Period; the balance of wages payables decreased by 75.89% as compared to that at the end of the previous year, which was mainly attributable to the payment of year-end bonus for the previous year during the Reporting Period. The Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB241,182 million, representing a decrease of 1.15% as compared to that at the end of the previous year. Total liabilities amounted to RMB46,606 million, representing a decrease of 2.87% as compared to that at the end of the previous year, of which, current liabilities amounted to RMB32,398 million, representing a decrease of 8.92% as compared to that at the end of the previous year; non-current liabilities amounted to RMB14,208 million, representing an increase of 14.47% as compared to that at the end of the previous year. As at the end of the Reporting Period, the Group's gearing ratio calculated in accordance with the PRC Accounting Standards was 19.32%, representing a decrease of 0.35 percentage point as compared to that at the end of the previous year.

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 RMB181,884 million, representing a decrease of 0.96% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB12,692 million, representing an increase of 2.73% as compared to that at the end of the previous year. Net assets per share attributable to equity shareholders of the Company as at the end of the Reporting Period amounted to RMB34.32, representing a decrease of RMB0.33 per share as compared to that at the end of the previous year.

### 3. Management Discussion and Analysis

As at the end of the Reporting Period, total current assets and total current liabilities of the Group prepared in accordance with the PRC Accounting Standards amounted to RMB99,388 million and RMB32,398 million respectively, with a current ratio of 3.07:1 (as at the end of the previous year: 2.98:1). The increase in current ratio as compared to that at the end of the previous year was mainly due to the payment of year-end bonus for the previous year during the Reporting Period. Total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB99,744 million and RMB32,398 million respectively, with a net gearing ratio of 0.055 (as at the end of the previous year: 0.034). Net gearing ratio was calculated as follows: (interest-bearing liabilities minus cash and cash equivalents) divided by shareholders' equity.

As at the end of the Reporting Period, overseas assets of the Group was RMB18,614 million, representing 7.72% of the total assets.

During the Reporting Period, subsidiaries of the Company had pledged intangible assets with a book value of approximately RMB2,176 million as security for borrowings from financial institutions. As at the end of the Reporting Period, the aforesaid pledged assets had not been discharged.

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

#### Liquidity and source of funds

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

	<b>As at 30 June 2023 (RMB'000) (Unaudited)</b>	As at 31 December 2022 (RMB'000)
Due within 1 year	<b>12,403,199</b>	12,300,541
Due after 1 year but within 2 years	<b>1,629,795</b>	2,158,813
Due after 2 years but within 5 years	<b>8,206,656</b>	6,400,622
Due after 5 years	<b>1,498,552</b>	1,129,216
<b>Total</b>	<b>23,738,202</b>	21,989,192

### 3. Management Discussion and Analysis

As at the end of the Reporting Period, balance of the Group's bank borrowings was RMB23,738 million, representing an increase of RMB1,749 million as compared to that at the end of the previous year. The increase was mainly attributable to the increase of bank borrowings for operation and development needs during the Reporting Period. Please refer to note 8 to the financial report prepared in accordance with the PRC Accounting Standards for information on borrowings bearing fixed interest rate.

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

#### Analysis of cash flow

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

	<b>Six months ended 30 June 2023 (RMB'000) (Unaudited)</b>	Six months ended 30 June 2022 (RMB'000) (Unaudited)	Changes (%)
Net cash flows generated from operating activities	<b>5,077,428</b>	4,468,348	13.63
Net cash flows generated from investment activities	<b>-3,502,801</b>	-6,008,821	41.71
Net cash flows generated from financing activities	<b>-3,633,414</b>	-2,961,613	-22.68
Effect of exchange rate change on cash and cash equivalents	<b>74,876</b>	94,687	20.92
Net increase in cash and cash equivalents	<b>-1,983,911</b>	-4,407,399	54.99
Balance of cash and cash equivalents at the beginning of the period	<b>16,158,423</b>	17,397,537	-7.12
Balance of cash and cash equivalents at the end of the period	<b>14,174,512</b>	12,990,138	9.12

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to RMB5,077 million, representing a period-on-period increase of RMB609 million. Such increase was mainly due to the period-on-period decrease in taxes paid by the Group during the Reporting Period.

### 3. Management Discussion and Analysis

During the Reporting Period, the Group's net cash outflows from investment activities decreased by RMB2,506 million as compared to that of the corresponding period of the previous year, which was mainly due to the period-on-period decrease in cash paid for acquisition of fixed assets, intangible assets and other long-term assets by the Group during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from financing activities increased by RMB672 million as compared to that of the corresponding period of the previous year, which was mainly due to the decrease in new borrowings of the Group during the Reporting Period.

#### 3. Capital expenditure

During the Reporting Period, the capital expenditure of the Group amounted to approximately RMB9,734 million, which was primarily used in investment expenditure for construction of projects.

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

	<b>As at 30 June 2023 (RMB'000) (Unaudited)</b>	As at 31 December 2022 (RMB'000)
Authorized and contracted for	<b>11,511,390</b>	11,301,286
Authorized but not contracted for	<b>7,602,648</b>	7,254,772
<b>Total</b>	<b>19,114,038</b>	18,556,058

#### 4. Exchange rate risk and related hedging by financial instruments

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

### 3. Management Discussion and Analysis

In order to effectively reduce exchange rate risk to ensure that the risk level is overall under control, the Group made appropriate financing and foreign exchange receipt and payment arrangements based on the construction progress of overseas projects 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 where the Group invested, so as to complement each other's capital advantage, enhance capital economies of scale, reduce loss from currency exchange and reduce financing costs. Meanwhile, the Group paid close attention to the changes of foreign exchange policies of the invested countries, actively responded to interest rate hikes by the Federal Reserve and the fluctuations in exchange rates, reasonably allocated foreign currency assets, and reasonably matched the loan funds in the countries where the Group operates in combination with changes in exchange rates and interest rates, the Group mitigated foreign exchange risks by using hedging tools in accordance with the exchange rate trends of currencies.

#### OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2023, the global economic environment will become more complicated, and the domestic economy will face new difficulties and challenges. The central government will adhere to the main theme of “making progress while maintaining stability”, it will implement the new development concept completely, accurately and comprehensively by accelerating the formation of a new development pattern, increasing the intensity of macroeconomic policy regulation to promote the effective improvement of quality and reasonable growth in quantity. In terms of infrastructure, the government will further drive investment by accelerating the issuance and use of special bonds by local government. Infrastructure investment is expected to continue the growth trend and provide strong support for pulling the demand of cement. Real estate investment will remain low, which will have an adverse impact on the demand of cement market. However, the state emphasized that real estate policies will be adjusted and optimized at a suitable timing, and policies will be implemented according to the situation of city to better satisfy residents' core needs and housing improvement needs, and efforts of construction and supply of houses for security will be increased. In super large and mega cities, the state will actively and steadily promote the transformation of urban villages and the construction of public infrastructure for “dual normal and urgent use” to promote gradual stabilization of the real estate market. In such connection, demand for cement from the real estate market may improve in the second half of the year. Meanwhile, staggered production in the cement industry will continue to be normalized, but its marginal function on the improvement of the relationship between supply and demand will be weakened.

### 3. Management Discussion and Analysis

In terms of investment development, the Group will stick to the “14th Five-Year” strategic plan and annual plan, and will insist on effective investments and accelerate the implementation and construction of key projects. First, the Group will plough into its core cement business, cautiously push forward new projects and implement mergers and acquisitions of quality projects in line with the principles of enhancing market control, building long-term competitiveness of enterprises and improving domestic market layout. Second, the Group will accelerate the extension, fixing and strengthening of the industry chains and vigorously develop the aggregate business, and will focus on promoting the commencement of projects in stock, steadily push forward new independent aggregate projects construction and create a new profit growth point. The Group will adhere to using a combination of new construction, mergers and acquisitions and leasing to accelerate the market layout in commodity concrete business and increase control of end-user market. Third, the Group will accelerate the development of new energy industry for the integration of wind, solar and water storage, actively extending the upstream industry and expanding new industries to create new advantages. It will further expand and strengthen the environmental protection business to create new momentum for development. Fourth, the Group will steadily implement internationalization strategy, explore ways of diversified development, strengthen risk identification and control, improve the markets layout of existing investment and steadily push forward the development in undeveloped international markets.

In terms of business management, the Group will pay close attention to the international and domestic macroeconomic situation, deepen lean management and improve operation quality and efficiency. First, it will strengthen the studies and analysis of market supply and demand conditions and implement differentiated marketing strategies. It will stabilize price, increase sales volume and improve efficiency on the basis of stabilizing market share. Second, it will focus on the economic and secure supply of raw materials and fuel, coordinate international and domestic markets, stabilize and expand direct supply channel to reduce overall procurement cost. Third, it will strengthen cost control on all employees, all key components, entire value chain and the entire life cycle, strictly control various expenses and expenditures and comprehensively reduce the operating costs of the Company. Fourth, it will build and reinforce the concept of green development, plan in advance the transformation of ultra-low emission of production lines, enhance cultivation of professionals and talents in the field of “dual carbon”, strengthen research in carbon market policy, and strengthen research and application of carbon reduction technology and explore an economic and efficient approach for carbon emission control. Fifth, it will accelerate the promotion and application of the results of intelligent factory construction and continuously improve the level of intelligent manufacturing. Finally, it will deepen and push forward the strategy of talents for strong enterprises, fully optimise talent structure, integrate resources of the Company to enhance the cultivation and quality of talents and generate continuous power for the high-quality and sustainable development of the Company.

## 4. Report of the Directors

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

#### 1. Establishment of project companies and deregistration of subsidiaries during the Reporting Period

- (1) In January 2023, Conch New Energy, a wholly-owned subsidiary of the Company, and China Coal Xinji Energy Co., Ltd. (hereinafter referred to as “Xinji Energy”) jointly invested in and established Conch Zhongxin Mingguang New Energy Co., Ltd. with a registered capital of RMB410 million, of which each of Conch New Energy and Xinji Energy contributed RMB205 million respectively, each accounting for 50% of its registered capital.
- (2) In January 2023, Conch New Energy and Xinji Energy jointly invested in and established Xinji Mingguang New Energy Co., Ltd. with a registered capital of RMB410 million, of which Conch New Energy contributed RMB200.90 million, accounting for 49% of its registered capital, and Xinji Energy contributed RMB209.10 million, accounting for 51% of its registered capital.
- (3) In March 2023, the Company invested in and established Tongling Conch Environmental Technology Co., Ltd. with a registered capital of RMB100 million, and the Company holds 100% of its equity interest.
- (4) In May 2023, Ganzhou Conch Cement Co., Ltd. (hereinafter referred to as “Ganzhou Conch”), a majority-owned subsidiary of the Company, invested in and established Longnan Conch Cement Co., Ltd. with a registered capital of RMB20 million, and Ganzhou Conch holds 100% of its equity interest.
- (5) In May 2023, the Company invested in and established Rugao Conch New Materials Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.
- (6) In June 2023, Conch New Energy invested in and established Laibin Conch New Energy Co., Ltd. with a registered capital of RMB4.28 million, and Conch New Energy holds 100% of its equity interest.
- (7) During the Reporting Period, the Company completed the deregistration of Taicang Conch New Energy Co., Ltd., and the deregistration of that company will not have adverse impact on the overall production, operation and the operating results of the Company as a whole.



### 2. Acquisition of subsidiaries during the Reporting Period

- (1) In December 2022, Shuangfeng Conch Cement Co., Ltd. (hereinafter referred to as “Shuangfeng Conch”), a wholly-owned subsidiary of the Company, entered into the Equity Acquisition Agreement of Shaodong Panshi Concrete Co., Ltd. with natural person shareholders Long Xia and Sun Qimin, for the acquisition of an aggregate of 100% equity interest held by them in Shaodong Panshi Concrete Co., Ltd. (hereinafter referred to as “Shaodong Panshi”). Shaodong Panshi has a registered capital of RMB25 million and has completed the change of business registration in January 2023.
- (2) In March 2023, the Company acquired 15% equity interest in Shuicheng Conch, a majority-owned subsidiary of the Company, from Guizhou Xinsheng Coal Chemical Industry Co., Ltd. through public bidding. After the completion of this equity transfer, the Company and Guizhou Energy Group Co., Ltd. (hereinafter referred to as “Guizhou Energy”) hold 70% and 30% equity interest in Shuicheng Conch, respectively. In April 2023, Shuicheng Conch completed the change of relevant business registration.

After the completion of the above-mentioned equity transfer, the Company made an additional capital injection of RMB292.40 million to Shuicheng Conch, while Guizhou Energy did not participate in this capital increase. Upon completion of the capital increase, Shuicheng Conch has a registered capital of RMB800 million, of which the Company contributed RMB647.72 million. As stipulated in the articles of association of Shuicheng Conch, the Company holds 87.22% of its equity interest.

- (3) Anhui Conch Engineering Machinery Technology Co., Ltd. (hereinafter referred to as “Conch Machinery Technology”) was jointly invested and established by Anhui Tongling Conch Cement Co., Ltd. (hereinafter referred to as “Tongling Conch”, a wholly-owned subsidiary of the Company), Anhui Komatsu Engineering Machinery Co., Ltd. (hereinafter referred to as “Anhui Komatsu”) and Hefei Rijian Engineering Machinery Co., Ltd. (hereinafter referred to as “Hefei Rijian”) in July 2022, with the registered capital of RMB40 million at the time of its establishment, of which Tongling Conch contributed RMB26 million, accounting for 65% of its registered capital; Anhui Komatsu contributed RMB10 million, accounting for 25% of its registered capital; and Hefei Rijian contributed RMB4 million, accounting for 10% of its registered capital.

## 4. Report of the Directors

In June 2023, Anhui Komatsu transferred its registered capital of RMB4.8 million in Conch Machinery Technology to Tongling Conch. After this registered capital transfer, the registered capital of Conch Machinery Technology remains unchanged, the contribution made by Tongling Conch increased to RMB30.80 million, representing 77% of the total equity interest; the contribution made by Anhui Komatsu reduced to RMB5.20 million, representing 13% of the total equity interest; and the capital contribution and equity interest of Hefei Rijian remain unchanged.

### 3. Subsidiaries with capital increase during the Reporting Period

- (1) Haihui Company was jointly invested and established by the Company, Conch New Material, Conch IT Engineering and Beijing Huitong Tianxia IOT Technology Co., Ltd. (“Huitong Tianxia”) with the then registered capital of RMB20 million at its establishment, of which the Company contributed RMB10 million, accounting for 50% of its registered capital; Conch New Material contributed RMB4 million, accounting for 20% of its registered capital; Conch IT Engineering contributed RMB2 million, accounting for 10% of its registered capital; and Huitong Tianxia contributed RMB4 million, accounting for 20% of its registered capital.

During the Reporting Period, the Company and other shareholders of Haihui Company made additional capital contribution to Haihui Company at an aggregate amount of RMB130 million, of which, the Company contributed RMB88.40 million and its equity proportion became 65.6% after the capital increase; Conch New Material contributed RMB26 million and its equity proportion remained at 20% after the capital increase; Conch IT Engineering contributed RMB13 million and its equity proportion remained at 10% after the capital increase; and Huitong Tianxia contributed RMB2.6 million and its equity proportion became 4.4% after the capital increase. After such capital increase, the registered capital of Haihui Company became RMB150 million.

- (2) During the Reporting Period, the Company made additional capital contribution of RMB40 million to Zhuhai Haizhong Trading Co., Ltd. (hereinafter referred to as “Zhuhai Haizhong”), a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Zhuhai Haizhong becomes RMB50 million, and the Company’s equity interest therein remains unchanged.

## 4. Report of the Directors

- (3) Nantong Conch Concrete Co., Ltd. (hereinafter referred to as “Nantong Concrete”) was jointly invested and established by the Company and Jiangsu Haiyi Holdings Group Co. Ltd. (hereinafter referred to as “Haiyi Holdings”), its registered capital was RMB50 million at the time of establishment, of which 70% was held by the Company and 30% was held by Haiyi Holdings. During the Reporting Period, the Company and Haiyi Holdings made additional capital contribution to Nantong Concrete, of which the Company contributed RMB7 million, and Haiyi Holdings contributed RMB3 million. After such capital increase, the registered capital of Nantong Concrete becomes RMB60 million, and equity interests of both parties remain unchanged.

Note: The companies established, deregistered, acquired and whose capital contribution amount was increased during the Reporting Period do not include project companies of Conch Environment Protection.

### 4. Investment in securities

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

Stock code	Stock short name	Initial investment costs (RMB)	Percentage of shareholding		Carrying amount at the beginning of the Reporting Period (RMB)	Gain or loss on changes in fair value		Amount purchased during the Reporting Period (RMB)	Amount sold during the Reporting Period (RMB)	Investment gain or loss recognized during the Reporting Period (RMB)	Carrying amount at the end of the Reporting Period (RMB)
			at the beginning of the Reporting Period (%)	at the end of the Reporting Period (%)		during the Reporting Period (RMB)	changes in the fair value recognized in equity (RMB)				
2233	WCC	1,960,606,127	29.80	29.80	3,559,955,049	-	-	-	-	188,841,405	3,644,030,522
0587	Conch Environment Protection	2,786,537,918	20.00	20.00	834,312,119	-	-	-	-	-	834,312,119
600881	Yatai Group	520,559,731	5.31	5.31	413,869,656	-50,009,250	-	-	-	-	363,860,406
600318	Xinli Finance	32,441,180	5.08	5.08	176,237,594	-	-10,949,673	-	-	-	165,287,921
0586	Conch Venture	1,923,031,472	4.94	4.94	1,356,071,472	-	-514,297,186	-	-	32,722,898	841,774,286
6655	Huaxin Cement	1,146,289,177	4.43	4.43	721,100,855	-	-140,222,380	-	-	47,263,870	580,878,475
000672	Shangfeng Cement	178,166,549	1.21	1.21	125,568,017	-18,223,822	-	-	-	4,115,057	107,344,195
000877	Tianshan Cement	999,999,999	0.86	0.86	631,111,111	-28,148,149	-	-	-	20,000,000	602,962,962
<b>Total</b>		<b>9,547,632,153</b>	<b>-</b>	<b>-</b>	<b>7,818,225,873</b>	<b>-96,381,221</b>	<b>-665,469,239</b>	<b>-</b>	<b>-</b>	<b>292,943,230</b>	<b>7,140,450,886</b>

## 4. Report of the Directors

Notes:

- (1) Xinli Finance, Conch Venture and Huaxin Cement held by the Group were included in “investments in other equity instruments”, WCC and Conch Environment Protection held by the Group were included in “long-term equity investments” and Yatai Group, Shangfeng Cement and Tianshan Cement held by the Group were included in “financial assets held for trading”.
- (2) The funds utilized by the Group for the above securities investments were mainly its own funds.

On 21 December 2021, the Company and West Construction entered into the Conditional Stock Subscription Agreement and the Conditional Strategic Cooperation Agreement for the proposed subscription for shares of West Construction by way of non-public placing. The Company intended to subscribe for 251,444,577 A shares of West Construction (the final number of shares to be subscribed for shall be subject to the approval of the China Securities Regulatory Commission) at a cash consideration of RMB1,760,112,039. For details, please refer to the announcement in relation to proposed subscription for A shares of China West Construction Group Co., Ltd. by way of non-public placing (Provisional 2021-48) published by the Company on the website of the SSE on 22 December 2021.

In September 2022, pursuant to the “Announcement on Adjusting the Company’s Non-public Share Issuance Plan for 2021” (2022-063) disclosed by West Construction, West Construction adjusted its non-public share issuance plan in accordance with the relevant laws, regulations, normative documents and regulatory requirements, and based on the actual situation of the company. The issue price was adjusted from RMB7.00 per share to RMB6.905 per share, and the number of shares to be issued was adjusted from 280,016,005 shares to 214,845,838 shares. The number of shares to be subscribed for by the Company was correspondingly changed from 251,444,577 shares to 192,924,047 shares.

In November 2022, in order to further implement the strategic cooperation and clarify the rights and obligations of both parties, the Company and West Construction entered into the Supplemental Agreement to the Conditional Strategic Cooperation Agreement.

As at the end of the Reporting Period, the said subscription for shares had not completed.

## 4. Report of the Directors

### 5. 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 “(4) Management Discussion and Analysis on the Operations – Analysis on the Operational Conditions for the First Half of 2023” in Chapter 3 “Management Discussion and Analysis” in this report as well as item 15 under note 5 to the financial report prepared in accordance with the PRC Accounting Standards.

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

As at the end of the Reporting Period, the Company had 479 subsidiaries, 11 jointly-controlled entities, and invested in 8 associates and 2 partnerships. 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 respectively accounted for more than 10% of the net profit of the Company.

### 7. Cooperation and investment with private equity fund

- (1) In 2021, the Company, China National Building Material Private Equity Fund Management (Beijing) Co., Ltd. (general partner and fund manager, hereinafter referred to as “CNBM Private Equity Fund”) and other limited partners co-funded and established CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the “Industrial Investment Fund”), with an initial fund scale amounted to RMB15 billion. The Company, as a limited partner, shall make capital contribution of RMB1.6 billion. In addition, CNBM Private Equity Fund and some partners or their related parties co-funded and established CNBM (Anhui) New Materials Fund Management Co., Ltd. (hereinafter referred to as “CNBM (Anhui) Management Company”), with a registered capital of RMB50 million, of which the Company contributed RMB3,809,524, accounting for 7.62% of its registered capital. After the establishment of CNBM (Anhui) Management Company, it was admitted to the Industrial Investment Fund and acted as its general partner and executive partner. Industrial Investment Fund has completed the registration procedures for corporate establishment with the State Administration for Market Regulation and the filing of private funds with the Asset Management Association of China.

## 4. Report of the Directors

In 2022, in order to give full play to the enthusiasm of the team of Industrial Investment Fund, CNBM (Anhui) Management Company and the core management members of the team jointly invested in and established Hefei Weiyu Equity Investment Partnership (Limited Partnership) (hereinafter referred to as “Hefei Weiyu”). CNBM (Anhui) Management Company and Hefei Weiyu entered into the Agreement on Transfer of the General Partner Shares of CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership), according to which CNBM (Anhui) Management Company transferred its general partner shares of RMB15 million to Hefei Weiyu at a price of RMB4.5 million (corresponding to the committed capital contribution of RMB15 million and the paid-in capital contribution of RMB4.5 million). After the completion of the above transfer, Hefei Weiyu was admitted to Industrial Investment Fund as a limited partner after consideration and approval by the partners’ meeting of Industrial Investment Fund. After the change of partners of Industrial Investment Fund, the partners re-signed the Partnership Agreement for CNBM (Anhui) New Materials Industrial Investment Fund Partnership (Limited Partnership).

During the Reporting Period, the registration procedures for corporate change in relation to the admission of Hefei Weiyu to Industrial Investment Fund, and the change procedures for filing of private funds with the Asset Management Association of China have been completed. The Company has made paid-in capital contribution amount of RMB1.12 billion. For details, please refer to the provisional announcements No. 26, 29, 37 and 47 published by the Company on the website of the SSE in 2021 and the provisional announcement No. 1 published by the Company on the website of the SSE in January 2023. The Company will fulfill information disclosure obligation on a timely basis in strict compliance with Self-regulatory Guidelines No. 5 of Companies Listed on the Shanghai Stock Exchange – Transactions and Related Transactions and other relevant requirements according to the subsequent development of Industrial Investment Fund.

## 4. Report of the Directors

- (2) During the Reporting Period, the Company (as a limited partner) jointly invested in Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) (hereinafter referred to as “Industrial Internet Master Fund”) with one general partner (namely, Haitong Capital) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, High New Fund, Zhenye Investment and Ningbo Shangyi), with a total capital contribution amount of RMB5 billion, of which RMB1.5 billion was contributed by the Company. The business scope of Industrial Internet Master Fund includes engaging in activities such as equity investment, investment management and asset management as a private fund. The primary mode of investment is setting up new sub-funds with other partners or investing in established sub-funds, with a focus on projects with strong growth potential within the “Industrial Internet+” ecological platform, including intelligent manufacturing, industrial platforms, industrial software, industrial supply chain, industry application solutions, industrial internet hardware, blockchain, cloud computing, Internet of Things, artificial intelligence, 5G and other related fields.

As at the date of this report, Industrial Internet Master Fund has completed the registration procedures of the relevant change of partners and registered capital, while the filing and registration with the Asset Management Association of China has not yet completed. For details, please refer to the announcements published by the Company on the website of the Stock Exchange and the website of the Company on 6 June 2023 and 26 June 2023 and the announcements published by the Company on the website of the SSE on 7 June 2023 and 27 June 2023, respectively. The Company will fulfill information disclosure obligation on a timely basis in strict compliance with the SSE Listing Rules and the Self-regulatory Guidelines No. 5 of Companies Listed on the Shanghai Stock Exchange – Transactions and Related Transactions and other relevant requirements according to the subsequent progress of Industrial Internet Master Fund.

### 8. Financial entrustment

In combination of the Company’s daily fund arrangements and unutilized fund situation and in order to make full use of the unutilized fund, the Company used part of its own funds for financial entrustment after comprehensive consideration of security and return rate. Particulars of the financial entrustment subsisting during the Reporting Period are as follows:

## 4. Report of the Directors

No.	Trustee	Inception date	Expiry date	Product name	Amount (RMB in billion)	Expected annualized rate of return	Status of recovery	Actual Income (RMB'000)
1	HSBank Wealth Management Co., Ltd.	2 April 2021	7 April 2023	HSBank Wealth Management "Anying" Fixed Income Net Worth Wealth Management Products 210080	0.5	5.40%	Recovered	54,370
2	CMB Wealth Management Company Limited	9 June 2021	14 June 2023	CMB Wealth Management Zhaorui Selected High Yield No. 12 Close-ended Fixed Income Wealth Management Plan	0.9	5.70%	Recovered	104,340
3	CCB Wealth Management Co., Ltd.	30 December 2021	26 December 2024	CCB Wealth Management Institutions Exclusive "Ruixin" Fixed Income Close-ended Products 2021 Tranche 34	1	5.66%	Not yet matured	/

During the Reporting Period, the Company had no overdue financial entrustment which was not recovered. As at the date of this report, the balance of the financial entrustment of the Company amounted to RMB1 billion.

### (2) IMPLEMENTATION OF THE 2022 PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY

On 31 May 2023, the profit distribution proposal for the year 2022 was considered and approved at the 2022 annual general meeting of the Company. Based on the total number of issued shares of 5,299,302,579 shares of the Company as at 31 December 2022, a cash dividend of RMB1.48 (tax inclusive) per share was paid to all the shareholders of the Company, totaling RMB7,842,967,816.92 (tax inclusive). As at the end of the Reporting Period, the above dividend was paid to all the shareholders whose names were recorded in the register of members on the relevant record date.

### (3) INTERIM DIVIDEND

The Board did not recommend the payment of interim dividend and the capitalization of capital reserve for the first half of 2023.



## 5. Corporate Governance

### (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 operations 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 meeting and legal advice was obtained in connection therewith to ensure that decision-making procedures and contents of the general meeting are legal and valid and that shareholders can fully exercise their own rights. On 31 May 2023, the Company convened the 2022 annual general meeting. For details of the voting results of the resolutions at the general meeting, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 31 May 2023 and the announcement published by the Company on the website of the SSE on 1 June 2023.

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. With a diligent, prudent and responsible attitude, the Directors organize and implement each of the resolutions of the general meeting, make scientific decisions and facilitate the healthy and stable development of the Company.

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

## 5. Corporate Governance

### (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 set out in Part 2 of 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 giving advice and recommendation to the Board. This 2023 interim results report of the Company has been reviewed by the Audit Committee.

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

On 27 April 2023, pursuant to the recommendation of the remuneration and nomination committee of the Board of the Company, the Board agreed to appoint Mr. Li Xin and Ms. Xu Yue as assistants to the general manager of the Company, and their appointments were effective on the same date.

Save for the aforesaid, during the Reporting Period, there was no change of Directors, Supervisors and other senior management members or their respective information which is required to be disclosed under Rule 13.51B(1) of the HKSE Listing Rules.

### (4) STOCK OPTION INCENTIVE SCHEME

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

## 6. Environmental and Social Responsibilities

### (1) ENTERPRISE ENVIRONMENTAL PROTECTION AND WASTE DISCHARGE

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

As at the end of the Reporting Period, 91 subsidiaries and branch companies of the Group were included in the List of Key Pollutant Discharging Units by relevant environmental protection departments of the government. 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 special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
1	Ningguo Cement Plant of Anhui	Sulfur dioxide	Organised	2	Kiln tail	22.03	DB34/3576-2020	82.85	384.91	No
		Nitrogen oxides	Organised	2	Kiln tail	73.40	DB34/3576-2020	265.18	795.88	No
	Conch Cement Company Limited	Particulate matter	Organised	4	Kiln head and tail	4.46	DB34/3576-2020	26.22	150.50	No
		Particulate matter	Organised	213	General discharge outlet	5.20	DB34/3576-2020	25.31		No
2	Baimashan Cement Plant of Anhui	Sulfur dioxide	Organised	1	Kiln tail	1.81	DB34/3576-2020	3.63	213.13	No
		Nitrogen oxides	Organised	1	Kiln tail	31.20	DB34/3576-2020	68.24	426.25	No
	Conch Cement Company Limited	Particulate matter	Organised	2	Kiln head and tail	1.98	DB34/3576-2020	4.26	70.53	No
		Sulfur dioxide	Organised	1	Coal mill	10.00	DB34/3576-2020	1.11	35.65	No
		Sulfur dioxide	Organised	1	Chemical absorption tower	0.14	DB34/3576-2020	0.01		No
		Nitrogen oxides	Organised	1	Coal mill	23.17	DB34/3576-2020	2.90	71.30	No
		Nitrogen oxides	Organised	1	Chemical absorption tower	39.49	DB34/3576-2020	0.57		No
		Particulate matter	Organised	112	General discharge outlet	5.55	DB34/3576-2020	8.35	72.12	No
3	Anhui Chizhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	8	Kiln tail	11.02	DB34/3576-2020	84.49	1704.13	No
		Nitrogen oxides	Organised	8	Kiln tail	45.69	DB34/3576-2020	1030.56	3821.80	No
		Particulate matter	Organised	16	Kiln head and tail	2.59	DB34/3576-2020	89.93	914.06	No
		Particulate matter	Organised	378	General discharge outlet	2.52	DB34/3576-2020	17.66		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
4	Tongling Conch	Sulfur dioxide	Organised	5	Kiln tail	3.04	DB34/3576-2020	46.67	1773.80	No
		Nitrogen oxides	Organised	5	Kiln tail	38.14	DB34/3576-2020	668.13	3547.60	No
		Particulate matter	Organised	10	Kiln head and tail	2.67	DB34/3576-2020	73.43	871.60	No
		Particulate matter	Organised	383	General discharge outlet	7.05	DB34/3576-2020	22.53		No
5	Anhui Digang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	4	Kiln tail	15.09	DB34/3576-2020	120.54	807.50	No
		Nitrogen oxides	Organised	4	Kiln tail	44.22	DB34/3576-2020	362.08	1615.00	No
		Particulate matter	Organised	8	Kiln head and tail	1.44	DB34/3576-2020	15.70	438.44	No
		Particulate matter	Organised	197	General discharge outlet	6.65	DB34/3576-2020	16.84		No
6	Wuhu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	6	Kiln tail	18.35	DB34/3576-2020	338.27	1789.38	No
		Nitrogen oxides	Organised	6	Kiln tail	37.47	DB34/3576-2020	738.41	3578.75	No
		Particulate matter	Organised	12	Kiln head and tail	2.21	DB34/3576-2020	55.60	854.75	No
		Particulate matter	Organised	363	General discharge outlet	6.46	DB34/3576-2020	42.68		No
7	Anhui Zongyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	5	Kiln tail	1.87	DB34/3576-2020	16.52	1237.50	No
		Nitrogen oxides	Organised	5	Kiln tail	40.85	DB34/3576-2020	469.79	2475.00	No
		Particulate matter	Organised	10	Kiln head and tail	2.42	DB34/3576-2020	42.55	554.29	No
		Particulate matter	Organised	216	General discharge outlet	2.45	DB34/3576-2020	4.22		No
8	Anhui Xuancheng Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	16.16	DB34/3576-2020	55.08	516.25	No
		Nitrogen oxides	Organised	2	Kiln tail	38.18	DB34/3576-2020	128.82	1032.50	No
		Particulate matter	Organised	4	Kiln head and tail	1.73	DB34/3576-2020	10.02	290.17	No
		Particulate matter	Organised	141	General discharge outlet	2.73	DB34/3576-2020	2.33		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
9	Wuhu South Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	18.80	DB34/3576-2020	65.04	513.13	No
		Nitrogen oxides	Organised	3	Kiln tail	72.15	DB34/3576-2020	261.46	1031.25	No
		Particulate matter	Organised	6	Kiln head and tail	1.95	DB34/3576-2020	10.49	1686.31	No
		Particulate matter	Organised	196	General discharge outlet	2.25	DB34/3576-2020	16.31		No
10	Yingde Conch Cement Co., Ltd.	Sulfur dioxide	Organised	4	Kiln tail	27.60	GB4915-2013	137.80	640.00	No
		Nitrogen oxides	Organised	4	Kiln tail	183.48	GB4915-2013	900.99	4712.00	No
		Particulate matter	Organised	8	Kiln head and tail	4.53	GB4915-2013	50.03	699.27	No
		Particulate matter	Organised	222	General discharge outlet	4.69	GB4915-2013	13.87		No
11	Yangchun Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	28.65	GB4915-2013	221.57	530.00	No
		Nitrogen oxides	Organised	2	Kiln tail	145.95	GB4915-2013	1098.12	3548.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.92	GB4915-2013	22.57	746.13	No
		Particulate matter	Organised	191	General discharge outlet	2.20	GB4915-2013	80.65		No
12	Guangdong Qingxin Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	5.30	GB4915-2013	24.16	320.00	No
		Nitrogen oxides	Organised	2	Kiln tail	259.97	GB4915-2013	1184.10	3030.48	No
		Particulate matter	Organised	4	Kiln head and tail	3.10	GB4915-2013	20.07	504.98	No
		Particulate matter	Organised	120	General discharge outlet	5.05	GB4915-2013	10.04		No
13	Hainan Changjiang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	30.38	DB46/524-2021	63.10	387.50	No
		Nitrogen oxides	Organised	2	Kiln tail	115.72	DB46/524-2021	250.61	775.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.36	DB46/524-2021	4.77	117.48	No
		Particulate matter	Organised	97	General discharge outlet	5.88	DB46/524-2021	7.55		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
14	Guangdong Qingyuan	Sulfur dioxide	Organised	3	Kiln tail	18.19	GB4915-2013	21.58	234.09	No
		Nitrogen oxides	Organised	3	Kiln tail	235.84	GB4915-2013	462.15	2342.65	No
		Particulate matter	Organised	6	Kiln head and tail	3.55	GB4915-2013	5.91	286.54	No
		Particulate matter	Organised	107	General discharge outlet	3.93	GB4915-2013	3.08		No
15	Guangdong Conch Hongfeng Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	38.54	GB4915-2013	95.99	376.46	No
		Nitrogen oxides	Organised	2	Kiln tail	263.13	GB4915-2013	699.73	1965.00	No
		Particulate matter	Organised	4	Kiln head and tail	4.91	GB4915-2013	16.02	299.13	No
		Particulate matter	Organised	119	General discharge outlet	3.82	GB4915-2013	7.72		No
16	Xing'an Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.79	GB4915-2013	56.97	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	250.44	GB4915-2013	780.27	2476.00	No
		Particulate matter	Organised	4	Kiln head and tail	7.95	GB4915-2013	35.93	543.70	No
		Particulate matter	Organised	135	General discharge outlet	7.02	GB4915-2013	39.80		No
17	Xingye Kuiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	9.77	GB4915-2013	34.61	130.58	No
		Nitrogen oxides	Organised	2	Kiln tail	257.40	GB4915-2013	951.12	2713.31	No
		Particulate matter	Organised	4	Kiln head and tail	2.86	GB4915-2013	12.69	1041.97	No
		Particulate matter	Organised	166	General discharge outlet	6.42	GB4915-2013	24.79		No
18	Fusui Xinning Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	3.67	GB4915-2013	26.42	181.00	No
		Nitrogen oxides	Organised	3	Kiln tail	193.65	GB4915-2013	1345.88	3713.00	No
		Particulate matter	Organised	6	Kiln head and tail	7.16	GB4915-2013	67.72	605.20	No
		Particulate matter	Organised	272	General discharge outlet	7.32	GB4915-2013	23.87		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
19	Beiliu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.22	GB4915-2013	30.92	265.80	No
		Nitrogen oxides	Organised	2	Kiln tail	201.16	GB4915-2013	862.04	2525.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.00	GB4915-2013	25.61	600.00	No
		Particulate matter	Organised	165	General discharge outlet	4.72	GB4915-2013	19.70		No
20	Longan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	31.46	GB4915-2013	70.36	178.49	No
		Nitrogen oxides	Organised	1	Kiln tail	259.38	GB4915-2013	511.26	1364.00	No
		Particulate matter	Organised	2	Kiln head and tail	7.94	GB4915-2013	24.89	276.50	No
		Particulate matter	Organised	123	General discharge outlet	7.14	GB4915-2013	13.98		No
21	Guangxi Lingyun Tonghong Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	3.52	GB4915-2013	1.98	426.25	No
		Nitrogen oxides	Organised	1	Kiln tail	306.89	GB4915-2013	301.02	852.50	No
		Particulate matter	Organised	2	Kiln head and tail	1.97	GB4915-2013	2.63	177.38	No
		Particulate matter	Organised	69	General discharge outlet	3.03	GB4915-2013	1.86		No
22	Fenyi Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	3.97	GB4915-2013	8.86	900.90	No
		Nitrogen oxides	Organised	2	Kiln tail	228.98	GB4915-2013	484.42	1801.80	No
		Particulate matter	Organised	4	Kiln head and tail	5.78	GB4915-2013	15.70	362.92	No
		Particulate matter	Organised	129	General discharge outlet	3.60	GB4915-2013	3.70		No
23	Yiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	14.92	GB4915-2013	24.86	320.00	No
		Nitrogen oxides	Organised	3	Kiln tail	220.89	GB4915-2013	1472.69	4468.50	No
		Particulate matter	Organised	6	Kiln head and tail	3.61	GB4915-2013	31.57	853.41	No
		Particulate matter	Organised	189	General discharge outlet	8.94	GB4915-2013	18.19		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
24	Ganzhou Conch	Sulfur dioxide	Organised	3	Kiln tail	4.17	GB-4915-2013	23.46	235.19	No
		Nitrogen oxides	Organised	3	Kiln tail	243.16	GB-4915-2013	1096.95	2641.00	No
		Particulate matter	Organised	6	Kiln head and tail	2.82	GB-4915-2013	20.73	519.87	No
		Particulate matter	Organised	149	General discharge outlet	1.90	GB-4915-2013	2.29	293.17	No
25	Shuangfeng Conch	Sulfur dioxide	Organised	2	Kiln tail	4.95	GB4915-2013	9.23	470.00	No
		Nitrogen oxides	Organised	2	Kiln tail	119.15	GB4915-2013	241.36	2880.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.38	GB4915-2013	25.10	675.02	No
		Particulate matter	Organised	170	General discharge outlet	6.20	GB4915-2013	3.86		No
26	Hunan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	8.88	GB4915-2013	25.29	404.36	No
		Nitrogen oxides	Organised	2	Kiln tail	110.37	GB4915-2013	285.88	2880.00	No
		Particulate matter	Organised	4	Kiln head and tail	5.55	GB4915-2013	23.40	458.39	No
		Particulate matter	Organised	169	General discharge outlet	5.39	GB4915-2013	10.16		No
27	Shimen Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	15.92	GB4915-2013	51.43	450.10	No
		Nitrogen oxides	Organised	2	Kiln tail	58.50	GB4915-2013	194.31	758.63	No
		Particulate matter	Organised	4	Kiln head and tail	6.60	GB4915-2013	24.98	394.55	No
		Particulate matter	Organised	148	General discharge outlet	4.79	GB4915-2013	4.09		No
28	Qiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	29.47	GB4915-2013	46.43	462.10	No
		Nitrogen oxides	Organised	2	Kiln tail	53.17	GB4915-2013	89.03	2187.90	No
		Particulate matter	Organised	4	Kiln head and tail	5.02	GB4915-2013	8.41	391.00	No
		Particulate matter	Organised	124	General discharge outlet	7.52	GB4915-2013	4.90		No



## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge	Total amount of approved discharge	Excessive discharge		
								(tonne)	(tonne/year)			
29	Jianghua Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.11	GB4915-2013	2.01	234.40	No		
			Nitrogen oxides	Organised	1	Kiln tail	38.84	GB4915-2013	53.51	1240.00	No	
				Particulate matter	Organised	2	Kiln head and tail	1.64	GB4915-2013	3.07	202.01	No
					Organised	130	General discharge outlet	7.31	GB4915-2013	9.24		No
30	Shaoyang Yunfeng New Energy Technology Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	24.89	GB4915-2013	40.63	160.00	No		
			Nitrogen oxides	Organised	1	Kiln tail	28.55	GB4915-2013	45.69	1116.00	No	
				Particulate matter	Organised	2	Kiln head and tail	7.97	GB4915-2013	16.07	184.50	No
					Organised	80	General discharge outlet	3.56	GB4915-2013	1.36		No
31	Hunan Yunfeng Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	1.75	GB4915-2013	1.10	247.05	No		
			Nitrogen oxides	Organised	2	Kiln tail	85.51	GB4915-2013	79.36	1716.00	No	
				Particulate matter	Organised	4	Kiln head and tail	2.23	GB4915-2013	3.47	305.60	No
					Organised	133	General discharge outlet	4.22	GB4915-2013	3.25		No
32	Hunan Yiyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	4.84	GB4915-2013	7.16	234.97	No		
			Nitrogen oxides	Organised	1	Kiln tail	70.77	GB4915-2013	93.98	1386.58	No	
				Particulate matter	Organised	2	Kiln head and tail	3.22	GB4915-2013	4.77	222.71	No
					Organised	97	General discharge outlet	7.11	GB4915-2013	11.61		No
33	Lianyuan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	0.28	GB4915-2013	0.19	151.11	No		
			Nitrogen oxides	Organised	1	Kiln tail	67.14	GB4915-2013	78.16	1440.00	No	
				Particulate matter	Organised	2	Kiln head and tail	4.44	GB4915-2013	8.50	340.31	No
					Organised	149	General discharge outlet	6.48	GB4915-2013	7.48		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
34	Linxiang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	4.60	GB4915-2013	9.61	150.00	No
		Nitrogen oxides	Organised	1	Kiln tail	35.74	GB4915-2013	71.30	1120.00	No
		Particulate matter	Organised	2	Kiln head and tail	2.94	GB4915-2013	6.83	186.28	No
		Particulate matter	Organised	84	General discharge outlet	5.29	GB4915-2013	7.01		No
35	Jiande Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.13	GB4915-2013	28.04	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	36.21	GB4915-2013	121.57	1840.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.41	GB4915-2013	8.12	294.06	No
		Particulate matter	Organised	107	General discharge outlet	3.56	GB4915-2013	3.97		No
36	Jining Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	7.73	DB37/2373-2018	12.60	281.30	No
		Nitrogen oxides	Organised	1	Kiln tail	43.20	DB37/2373-2018	64.60	601.43	No
		Particulate matter	Organised	2	Kiln head and tail	3.36	DB37/2373-2018	7.90	164.96	No
		Particulate matter	Organised	134	General discharge outlet	4.70	GB4915-2013	3.97		No
37	China Cement Plant Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	1.17	DB32/4149-2021	1.15	52.38	No
		Nitrogen oxides	Organised	2	Kiln tail	43.25	DB32/4149-2021	54.21	487.74	No
		Particulate matter	Organised	4	Kiln head and tail	2.70	DB32/4149-2021	5.46	100.17	No
		Particulate matter	Organised	93	General discharge outlet	5.74	DB32/4149-2021	5.68		No
38	Chaohu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	13.79	DB34/3576-2020	78.27	618.75	No
		Nitrogen oxides	Organised	3	Kiln tail	48.72	DB34/3576-2020	259.19	1237.50	No
		Particulate matter	Organised	6	Kiln head and tail	2.78	DB34/3576-2020	21.63	316.92	No
		Particulate matter	Organised	149	General discharge outlet	5.53	DB34/3576-2020	6.84		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
39	Suzhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	5.87	DB34/3576-2020	28.22	240.00	No
		Nitrogen oxides	Organised	2	Kiln tail	62.86	DB34/3576-2020	304.71	825.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.42	DB34/3576-2020	12.55	271.48	No
		Particulate matter	Organised	119	General discharge outlet	5.28	DB34/3576-2020	4.70		No
40	Quanjiao Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	3.89	DB34/3576-2020	15.61	300.00	No
		Nitrogen oxides	Organised	2	Kiln tail	37.86	DB34/3576-2020	159.86	825.00	No
		Particulate matter	Organised	4	Kiln head and tail	2.12	DB34/3576-2020	13.44	267.18	No
		Particulate matter	Organised	134	General discharge outlet	3.45	DB34/3576-2020	7.84		No
41	Anhui Huaining Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	2.19	DB34/3576-2020	8.06	412.50	No
		Nitrogen oxides	Organised	2	Kiln tail	58.24	DB34/3576-2020	192.73	825.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.56	DB34/3576-2020	6.84	252.84	No
		Particulate matter	Organised	165	General discharge outlet	6.76	DB34/3576-2020	10.18		No
42	Guangyuan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	4.61	DB512864-2021	18.75	342.58	No
		Nitrogen oxides	Organised	2	Kiln tail	37.96	DB512864-2021	162.14	3285.00	No
		Particulate matter	Organised	4	Kiln head and tail	1.74	DB512864-2021	10.81	700.04	No
		Particulate matter	Organised	156	General discharge outlet	3.38	DB512864-2021	12.44		No
43	Dazhou Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	9.27	DB51/2864-2021	37.03	259.88	No
		Nitrogen oxides	Organised	2	Kiln tail	40.13	DB51/2864-2021	178.34	742.50	No
		Particulate matter	Organised	4	Kiln head and tail	0.74	DB51/2864-2021	4.76	253.79	No
		Particulate matter	Organised	123	General discharge outlet	2.36	DB51/2864-2021	5.29		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
44	Bazhong Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.02	DB512864-2021	2.73	142.13	No
		Nitrogen oxides	Organised	1	Kiln tail	71.87	DB512864-2021	144.28	1008.26	No
		Particulate matter	Organised	2	Kiln head and tail	0.69	DB512864-2021	2.49	326.99	No
		Particulate matter	Organised	105	General discharge outlet	2.75	DB512864-2021	6.85		No
45	Chongqing Conch Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	6.54	DB50/656-2016	44.69	2252.25	No
		Nitrogen oxides	Organised	3	Kiln tail	108.99	DB50/656-2016	786.68	3474.00	No
		Particulate matter	Organised	6	Kiln head and tail	3.58	DB50/656-2016	34.56	875.36	No
		Particulate matter	Organised	251	General discharge outlet	8.58	DB50/656-2016	26.61		No
46	Liangping Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.89	DB50/656-2016	4.27	792.00	No
		Nitrogen oxides	Organised	1	Kiln tail	154.40	DB50/656-2016	316.37	1152.00	No
		Particulate matter	Organised	2	Kiln head and tail	5.29	DB50/656-2016	16.56	339.81	No
		Particulate matter	Organised	79	General discharge outlet	8.34	DB50/656-2016	8.85		No
47	Basu Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	2.31	GB4915-2013	2.73	79.58	No
		Nitrogen oxides	Organised	1	Kiln tail	218.41	Environmental impact evaluation approval document for construction project	278.92	567.74	No
		Particulate matter	Organised	2	Kiln head and tail	6.27	GB4915-2013	11.27	151.20	No
		Particulate matter	Organised	80	General discharge outlet	2.75	GB4915-2013	2.68		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Implemented standards for discharge of pollutants		Average discharge concentration (mg/m <sup>3</sup> )	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
						Average discharge concentration (mg/m <sup>3</sup> )	Discharge standards				
48	Pingliang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.26	GB4915-2013	36.20	1515.00	No	
		Nitrogen oxides	Organised	2	Kiln tail	213.10	GB4915-2013	569.80	3030.00	No	
		Particulate matter	Organised	4	Kiln head and tail	3.34	GB4915-2013	11.30	645.80	No	
		Particulate matter	Organised	145	General discharge outlet	2.83	GB4915-2013	8.62		No	
49	Liquan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	4.47	DB61/941-2018	16.33	208.69	No	
		Nitrogen oxides	Organised	2	Kiln tail	34.67	DB61/941-2018	126.90	1908.00	No	
		Particulate matter	Organised	4	Kiln head and tail	1.90	DB61/941-2018	9.60	335.96	No	
		Particulate matter	Organised	162	General discharge outlet	5.64	DB61/941-2018	17.74		No	
50	Qianyang Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	5.82	DB61/941-2018	6.68	297.00	No	
		Nitrogen oxides	Organised	1	Kiln tail	43.18	DB61/941-2018	49.69	1188.00	No	
		Particulate matter	Organised	2	Kiln head and tail	2.84	DB61/941-2018	4.25	197.58	No	
		Particulate matter	Organised	126	General discharge outlet	4.30	DB61/941-2018	1.02		No	
51	Baoji Zhongxi Jinlinghe Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	3.50	DB61/941-2018	6.36	249.00	No	
		Nitrogen oxides	Organised	1	Kiln tail	37.50	DB61/941-2018	35.29	1116.00	No	
		Particulate matter	Organised	2	Kiln head and tail	1.80	DB61/941-2018	5.47	176.33	No	
		Particulate matter	Organised	105	General discharge outlet	7.50	DB61/941-2018	6.43		No	

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
52	Qianxian Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	12.25	DB61/941-2018	12.37	191.81	No
			Organised	1	Kiln tail	43.70	DB61/941-2018	54.06	1227.60	No
			Organised	2	Kiln head and tail	0.65	DB61/941-2018	1.18	186.91	No
			Organised	124	General discharge outlet	4.83	DB61/941-2018	5.67		No
53	Baoji Zhongxi Fenghuangshan Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	4.75	DB61/941-2018	5.81	238.50	No
			Organised	1	Kiln tail	39.84	DB61/941-2018	48.24	954.00	No
			Organised	2	Kiln head and tail	1.13	DB61/941-2018	1.95	102.56	No
			Organised	122	General discharge outlet	4.95	DB61/941-2018	1.02		No
54	Shaanxi Tongchuan Fenghuang Construction Materials Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	24.13	DB61/941-2018	23.05	337.50	No
			Organised	1	Kiln tail	193.41	DB61/941-2018	182.98	1080.00	No
			Organised	2	Kiln head and tail	3.19	DB61/941-2018	4.85	175.13	No
			Organised	80	General discharge outlet	6.66	DB61/941-2018	5.81		No
55	Hami Hongyi Construction Materials Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	13.95	GB/4915-2013	2.48	45.00	No
			Organised	1	Kiln tail	233.61	GB/4915-2013	41.09	750.00	No
			Organised	2	Kiln head and tail	10.04	GB/4915-2013	2.56	152.68	No
			Organised	59	General discharge outlet	8.87	GB/4915-2013	2.10		No
56	Linxia Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	1.89	GB4915-2013	2.05	145.85	No
			Organised	2	Kiln tail	158.35	GB4915-2013	167.65	1004.10	No
			Organised	4	Kiln head and tail	4.39	GB4915-2013	6.02	164.30	No
			Organised	114	General discharge outlet	7.30	GB4915-2013	10.86		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
57	Guiyang Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	3	Kiln tail	39.80	GB4915-2013	101.81	706.37	No
		Nitrogen oxides	Organised	3	Kiln tail	259.50	GB4915-2013	623.94	3901.51	No
		Particulate matter	Organised	6	Kiln head and tail	8.57	GB4915-2013	31.96	585.83	No
		Particulate matter	Organised	157	General discharge outlet	7.12	GB4915-2013	11.61		No
58	Zunyi Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	32.95	GB4915-2013	122.60	646.80	No
		Nitrogen oxides	Organised	2	Kiln tail	225.19	GB4915-2013	643.66	3267.00	No
		Particulate matter	Organised	4	Kiln head and tail	9.66	GB4915-2013	21.88	671.27	No
		Particulate matter	Organised	120	General discharge outlet	9.15	GB4915-2013	12.38		No
59	Tongren Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	10.06	GB4915-2013	13.58	1485.00	No
		Nitrogen oxides	Organised	2	Kiln tail	313.78	GB4915-2013	425.11	2970.00	No
		Particulate matter	Organised	4	Kiln head and tail	6.61	GB4915-2013	13.41	666.96	No
		Particulate matter	Organised	131	General discharge outlet	1.79	GB4915-2013	9.64		No
60	Guiding Conch Panjiang Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.75	GB4915-2013	21.19	1559.25	No
		Nitrogen oxides	Organised	2	Kiln tail	268.42	GB4915-2013	392.95	3118.50	No
		Particulate matter	Organised	4	Kiln head and tail	7.69	GB4915-2013	19.03	660.09	No
		Particulate matter	Organised	132	General discharge outlet	6.93	GB4915-2013	15.30		No
61	Qianxi Nanzhou Resource Development Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.14	GB4915-2013	0.31	241.00	No
		Nitrogen oxides	Organised	1	Kiln tail	191.34	GB4915-2013	66.60	620.00	No
		Particulate matter	Organised	2	Kiln head and tail	4.41	GB4915-2013	2.61	134.06	No
		Particulate matter	Organised	103	General discharge outlet	6.23	GB4915-2013	2.89		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
62	Shuicheng Conch	Sulfur dioxide	Organised	2	Kiln tail	10.42	GB4915-2013	7.09	446.99	No
		Nitrogen oxides	Organised	2	Kiln tail	265.83	GB4915-2013	186.53	1733.62	No
		Particulate matter	Organised	4	Kiln head and tail	7.03	GB4915-2013	6.57	393.70	No
		Particulate matter	Organised	115	General discharge outlet	5.81	GB4915-2013	4.96		No
63	Guizhou Liukuangruian Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	29.70	GB4915-2013	37.01	347.75	No
		Nitrogen oxides	Organised	1	Kiln tail	163.99	GB4915-2013	235.73	1485.00	No
		Particulate matter	Organised	2	Kiln head and tail	3.98	GB4915-2013	6.52	315.87	No
		Particulate matter	Organised	75	General discharge outlet	5.85	GB4915-2013	4.70		No
64	Guizhou New Shuanglong Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	26.40	GB4915-2013	3.05	135.00	No
		Nitrogen oxides	Organised	1	Kiln tail	296.79	GB4915-2013	55.83	620.00	No
		Particulate matter	Organised	2	Kiln head and tail	7.97	GB4915-2013	1.15	142.00	No
		Particulate matter	Organised	65	General discharge outlet	14.10	GB4915-2013	1.23		No
65	Baoshan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.29	GB4915-2013	1.08	150.76	No
		Nitrogen oxides	Organised	1	Kiln tail	240.93	GB4915-2013	255.90	1395.00	No
		Particulate matter	Organised	2	Kiln head and tail	3.92	GB4915-2013	4.69	304.23	No
		Particulate matter	Organised	77	General discharge outlet	7.11	GB4915-2013	3.31		No
66	Longling Conch Cement Co., Ltd. <sup>Note</sup>	Sulfur dioxide	Organised	1	Kiln tail	/	GB4915-2013	/	43.00	No
		Nitrogen oxides	Organised	1	Kiln tail	/	GB4915-2013	/	750.00	No
		Particulate matter	Organised	2	Kiln head and tail	/	GB4915-2013	/	163.40	No
		Particulate matter	Organised	106	General discharge outlet	6.27	GB4915-2013	1.13		No



## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
67	Yingjiang Yunhan Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	4.67	GB4915-2013	4.39	60.15	No
		Nitrogen oxides	Organised	1	Kiln tail	186.72	GB4915-2013	181.91	1304.05	No
		Particulate matter	Organised	2	Kiln head and tail	6.22	GB4915-2013	8.80	260.22	No
		Particulate matter	Organised	96	General discharge outlet	7.80	GB4915-2013	6.49		No
68	Wenshan Conch Cement Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail	12.80	GB4915-2013	26.55	241.10	No
		Nitrogen oxides	Organised	2	Kiln tail	187.73	GB4915-2013	397.81	2790.00	No
		Particulate matter	Organised	4	Kiln head and tail	4.50	GB4915-2013	7.99	603.89	No
		Particulate matter	Organised	123	General discharge outlet	7.57	GB4915-2013	6.38		No
69	Kunming Conch Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	6.67	GB4915-2013	1.23	62.27	No
		Nitrogen oxides	Organised	1	Kiln tail	122.63	GB4915-2013	55.03	775.00	No
		Particulate matter	Organised	2	Kiln head and tail	3.72	GB4915-2013	0.96	94.90	No
		Particulate matter	Organised	47	General discharge outlet	7.38	GB4915-2013	0.43		No
70	Yunnan Zhuangxiang Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	1.80	GB4915-2013	0.37	172.00	No
		Nitrogen oxides	Organised	1	Kiln tail	254.40	GB4915-2013	66.09	576.00	No
		Particulate matter	Organised	2	Kiln head and tail	9.48	GB4915-2013	0.59	124.28	No
		Particulate matter	Organised	41	General discharge outlet	8.03	GB4915-2013	5.47		No
71	Tengchong Tengyue Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	5.86	GB4915-2013	1.86	86.43	No
		Nitrogen oxides	Organised	1	Kiln tail	214.72	GB4915-2013	83.22	775.00	No
		Particulate matter	Organised	2	Kiln head and tail	5.01	GB4915-2013	3.28	160.38	No
		Particulate matter	Organised	95	General discharge outlet	7.63	GB4915-2013	1.95		No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
72	Anhui Conch Siam Refractory Material Co., Ltd.	Sulfur dioxide	Organised	2	Kiln tail of tunnel	33.54	Environmental impact evaluation approval document for construction project	4.64	36.79	No
		Nitrogen oxides	Organised	2	Kiln tail of tunnel	82.37	Environmental impact evaluation approval document for construction project	13.39	88.30	No
		Particulate matter	Organised	2	Kiln tail of tunnel	4.49	Environmental impact evaluation approval document for construction project	0.64	11.04	No
		Particulate matter	Organised	29	General discharge outlet	6.75	GB16297-1996	1.41	Not required	No
73	Naimanqi Hongji Cement Co., Ltd.	Sulfur dioxide	Organised	1	Kiln tail	0.93	GB4915-2013	0.83	118.80	No
		Nitrogen oxides	Organised	1	Kiln tail	236.05	GB4915-2013	218.53	980.00	No
		Particulate matter	Organised	2	Kiln head and tail	7.33	GB4915-2013	10.40	444.92	No
		Particulate matter	Organised	45	General discharge outlet	4.23	GB4915-2013	14.35		No
74	Inner Mongolia Yuexing Environmental Protection Technology Co., Ltd.	Non-methane hydrocarbon	Organised	2	General discharge outlet	0.30	GB16297-1996	/	/	No
		Particulate matter	Organised	4	General discharge outlet	7.18	GB4915-2013	/	/	No
		Odor concentration	Organised	2	General discharge outlet	1043.00 (Dimensionless)	GB14554-1993	/	/	No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented standards for discharge of pollutants	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
75	Anhui Conch Kawasaki Equipment Manufacturing Co., Ltd.	Particulate matter	Organised	11	General discharge outlet	5.63	Huan Da Qi [2019] No.56	4.67	/	No
		Particulate matter	Organised	19	General discharge outlet	5.79	GB16297-1996	0.64	/	No
		Non-methane hydrocarbon	Organised	2	General discharge outlet	8.85	GB16297-1996	1.12	/	No
		Xylene	Organised	1	General discharge outlet	0.27	GB16297-1996	0.02	/	No
		Nitrogen oxides	Organised	7	General discharge outlet	27.33	Huan Da Qi [2019] No. 56	2.31	/	No
		Sulfur dioxide	Organised	7	General discharge outlet	1.50	Huan Da Qi [2019] No. 56	0.13	/	No
76	Yangzhou Conch Cement Co., Ltd.	Particulate matter	Organised	168	General discharge outlet	6.50	DB32/4149-2021	6.50	/	No
77	Zhenjiang Beigu Conch Cement Co., Ltd.	Particulate matter	Organised	13	General discharge outlet	5.56	DB32/4149-2021	1.97	/	No
78	Baling Conch	Particulate matter	Organised	98	General discharge outlet	8.20	DB32/4149-2021	10.98	/	No
79	Ningbo Conch Cement Co., Ltd.	Particulate matter	Organised	89	General discharge outlet	6.59	GB4915-2013	8.24	/	No
80	Xiangshan Conch Cement Co., Ltd.	Particulate matter	Organised	122	General discharge outlet	7.55	GB4915-2013	13.62	/	No
81	Ninghai Qiangjiao Conch Cement Co., Ltd.	Particulate matter	Organised	95	General discharge outlet	6.80	GB4915-2013	13.93	/	No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of special types of pollutants	Name of major pollutants and Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
82	Shaoxing Shangyu Conch Cement Co., Ltd.	Particulate matter	Organised	42	General discharge outlet	7.50	GB4915-2013	4.85	21.50	No
83	Taizhou Conch Cement Co., Ltd.	Particulate matter	Organised	55	General discharge outlet	6.10	GB4915-2013	13.79	/	No
84	Yueqing Conch Cement Co., Ltd.	Particulate matter	Organised	116	General discharge outlet	7.40	GB4915-2013	15.95	/	No
85	Anhui Changfeng Conch Cement Co., Ltd.	Particulate matter	Organised	53	General discharge outlet	5.47	DB34/3576-2020	1.83	/	No
86	Bengbu Conch Cement Co., Ltd.	Particulate matter	Organised	72	General discharge outlet	3.12	DB34/3576-2020	1.36	/	No
87	Bozhou Conch Cement Co., Ltd.	Particulate matter	Organised	55	General discharge outlet	4.72	DB34/3576-2020	3.72	/	No
88	Ma'anshan Conch Cement Co., Ltd.	Particulate matter	Organised	89	General discharge outlet	3.69	DB34/3576-2020	14.97	/	No
89	Fujian Province Jianyang Conch Cement Co., Ltd.	Particulate matter	Organised	29	General discharge outlet	3.54	GB4915-2013	1.48	/	No
90	Nantong Conch Cement Co., Ltd.	Particulate matter	Organised	59	General discharge outlet	1.29	DB32/4149-2021	2.44	/	No
91	Haimen Conch Cement Co., Ltd.	Particulate matter	Organised	137	General discharge outlet	3.80	GB4915-2013	15.85	/	No

Note: During the Reporting Period, the clinker production system of Longling Conch Cement Co., Ltd. was not in operation and no pollutant emission was generated.

## 6. Environmental and Social Responsibilities

### 2. Discharge status of 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	Implemented standards for discharge of pollutants		Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
						Average discharge concentration (mg/m <sup>3</sup> )	Discharge of pollutants			
1	Huangshan Conch Cement Co., Ltd.	Particulate matter	Organised	65	General discharge outlet	4.28	DB34/3576-2020	1.61	/	No
2	Lu'an Conch Cement Co., Ltd.	Particulate matter	Organised	77	General discharge outlet	4.76	DB34/3576-2020	4.30	/	No
3	Huainan Conch Cement Co., Ltd.	Particulate matter	Organised	104	General discharge outlet	6.56	DB34/3576-2020	4.99	/	No
4	Taicang Conch Cement Co., Ltd.	Particulate matter	Organised	51	General discharge outlet	2.51	DB32/4149-2021	4.37	/	No
5	Shanghai Conch Mingzhu Cement Co., Ltd.	Particulate matter	Organised	32	General discharge outlet	5.60	GB4915-2013	2.69	17.00	No
6	Zhangjiagang Conch Cement Co., Ltd.	Particulate matter	Organised	79	General discharge outlet	4.00	DB32/4149-2021	8.54	/	No
7	Taizhou Yangwan Conch Cement Co., Ltd.	Particulate matter	Organised	148	General discharge outlet	7.40	DB32/4149-2021	13.40	/	No
8	Jiangxi Lushan Conch Cement Co., Ltd.	Particulate matter	Organised	84	General discharge outlet	9.10	GB4915-2013	23.30	/	No
9	Jiangxi Ganjiang Conch Cement Co., Ltd.	Particulate matter	Organised	105	General discharge outlet	8.97	GB4915-2013	21.13	/	No
10	Ningde Conch Cement Co., Ltd.	Particulate matter	Organised	34	General discharge outlet	11.92	DB35/1311-2013	4.39	/	No
11	Huai'an Conch Cement Co., Ltd.	Particulate matter	Organised	45	General discharge outlet	7.25	DB32/4149-2021	5.16	/	No
12	Jiangmen Conch Cement Co., Ltd.	Particulate matter	Organised	102	General discharge outlet	4.75	GB4915-2013	8.17	/	No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
13	Foshan Conch Cement Co., Ltd.	Particulate matter	Organised	91	General discharge outlet	6.30	GB4915-2013	5.76	/	No
14	Zhanjiang Conch Cement Co., Ltd.	Particulate matter	Organised	96	General discharge outlet	4.43	GB4915-2013	7.33	/	No
15	Wuhu Conch Plastic Products Company Limited	Non-methane hydrocarbon	Organised	3	General discharge outlet	1.90	DB13/2322-2016)	0.33	/	No
16	Jinxian Conch Cement Co., Ltd.	Particulate matter	Organised	60	General discharge outlet	0.84	GB4915-2013	20.21	/	No
17	Nanchang Conch Cement Co., Ltd.	Particulate matter	Organised	41	General discharge outlet	8.20	GB4915-2013	22.39	/	No
18	Maoming Dadi Cement Co., Ltd.	Particulate matter	Organised	50	General discharge outlet	5.10	GB4915-2013	2.87	/	No
19	Huai'an Chuzhou Conch Cement Co., Ltd.	Particulate matter	Organised	166	General discharge outlet	7.19	DB32/4149-2021	9.39	/	No
20	Guangyuan Conch Plastic Packaging Co., Ltd.	Particulate matter	Organised	3	General discharge outlet	4.53	GB16297-1996	0.16	/	No
		Non-methane hydrocarbon	Organised	3	General discharge outlet	2.11	GB31572-2015	0.09	/	No
		Odor concentration	Organised	3	General discharge outlet	232.00	GB14554-1993 (Dimensionless)	/	/	No
21	Yingde Conch Plastic Packaging Company Limited	Particulate matter	Organised	2	General discharge outlet	15.60	DB44/27-2001	0.75	/	No
		Volatile organic compound	Organised	2	General discharge outlet	3.75	DB44/815-2010	0.18	/	No

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of major pollutants and special types of pollutants		Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Implemented standards for discharge of pollutants		Average discharge concentration (mg/m <sup>3</sup> )	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
22	Jianghua Conch Plastic Packaging Company Limited	Non-methane hydrocarbon	Organised	2	General discharge outlet	3.88	DB34/1357-2017	0.10	/	No		
23	Anhui Ningchang Plastic Packaging Co., Ltd.	Particulate matter	Organised	1	General discharge outlet	12.90	GB16297-1996	0.01	/	No		
		Non-methane hydrocarbon	Organised	3	General discharge outlet	1.33	GB31572-2015	0.63	/	No		
24	Baoji Conch Plastic Packaging Co., Ltd.	Non-methane hydrocarbon	Organised	2	General discharge outlet	15.08	DB61/T1061-2017	0.18	/	No		
25	Guiding Conch Plastic Packaging Co., Ltd.	Non-methane hydrocarbon	Organised	1	General discharge outlet	1.19	GB16297-1996	0.04	/	No		
		Particulate matter	Organised	1	General discharge outlet	10.03	GB16297-1996	0.30	/	No		
26	Chizhou Conch New Material Co., Ltd.	Particulate matter	Organised	31	General discharge outlet	2.38	GB16297-1996	1.20	/	No		
27	Jiangxi Yiyang Conch New Building Material Co., Ltd.	Particulate matter	Organised	46	General discharge outlet	7.90	GB16297-1996	5.03	/	No		
28	Chongqing Duoji Renewable Resources Co., Ltd	Particulate matter	Organised	7	General discharge outlet	12.51	DB50/656-2016	0.47	/	No		
29	Chifeng Conch Cement Co., Ltd.	Particulate matter	Organised	26	General discharge outlet	18.00	GB4915-2013	0.53	/	No		
		Sulfur dioxide	Organised	1	General discharge outlet	481.00	GB4915-2013	18.01	/	No		
		Nitrogen oxides	Organised	1	General discharge outlet	356.00	GB4915-2013	13.12	/	No		

## 6. Environmental and Social Responsibilities

No.	Name of companies	Name of major pollutants and special types of pollutants	Discharge mode	Number of discharge outlets	Distribution of discharge outlets	Average discharge concentration (mg/m <sup>3</sup> )	Implemented	Total amount of discharge (tonne)	Total amount of approved discharge (tonne/year)	Excessive discharge
							standards for discharge of pollutants			
30	Tongchuan Conch New Material Co., Ltd.	Particulate matter	Organised	1	General discharge outlet	2.45	DB61941-2014	1.60	/	No
31	Naimanqi Banner Xingta Renewable Resources Co., Ltd. <sup>Note</sup>	Particulate matter	Organised	1	Kiln tail	/	GB16297-1996	/	/	No
		Sulfur dioxide	Organised	1	Kiln tail	/	GB16297-1996	/	/	No
		Nitrogen oxides	Organised	1	Kiln tail	/	GB16297-1996	/	/	No
		Sulfur dioxide	Organised	1	Vertical mill	/	GB16297-1996	/	/	No
		Particulate matter	Organised	1	Vertical mill	/	GB16297-1996	/	/	No
		Particulate matter	Organised	16	General discharge outlet	/	GB16297-1996	/	/	No
		Particulate matter	Organised	4	General discharge outlet	/	GB16297-1996	/	/	No

Note: During the Reporting Period, Naimanqi Banner Xingta Renewable Resources Co., Ltd was not in production and operation, thus no pollutants were emitted.

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

During the Reporting Period, the Group comprehensively implemented the national environmental protection policy, strictly executed the requirements of various environmental protection laws, regulations and standards, continuously strengthened environmental protection management, constantly increased effort for environmental protection and actively leveraged the advantages of resources co-ordination between the Company's headquarters and Regional Committees to guide the subordinate subsidiaries in strengthening the operation and maintenance of environmental protection equipment, and coordinated the promotion of various environmental protection technological modification works. Therefore, the level of environmental protection management has continued to increase, various environmental pollution control measures operated efficiently and various pollutants were stably emitted in compliance with discharge standards.



## 6. Environmental and Social Responsibilities

During the Reporting Period, in terms of reducing nitrogen oxide emissions, the Group had completed SCR denitration technological modification for 10 clinker production lines. As of the end of the Reporting Period, SCR denitration technological modification for a total of 74 clinker production lines had been completed, achieving an ultra-low emission rate for nitrogen oxides after the technological modification. In terms of reducing sulfur dioxide emission, the Group has extended and continued to promote the technological modification with wet desulfurization for 2 clinker production lines. As at the end of the Reporting Period, 40 sets of wet desulfurization project for a total of 40 clinker production lines had been in operation. The average emission concentration of sulfur dioxide is controlled below 50mg/m<sup>3</sup>. In terms of particulate matter emission reduction, the Group had completed the technological modification of replacement of electric dust collection with bag dust collection for 1 set of main dust collectors, with a total of 249 sets completed on an accumulative basis as of the end of the Reporting Period. After technological modification, the average emission concentration of particulate matter is less than 10mg/m<sup>3</sup>, which is better than the national emission standard. During the Reporting Period, a total of 1 subsidiary of the Group passed the A Class Enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry. As at the end of the Reporting Period, a total of 12 base companies passed the A Class Enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry and 17 grinding station companies passed the leading enterprise appraisal of performance grading in terms of heavy pollution weather in cement industry.

## 6. Environmental and Social Responsibilities

In terms of reducing carbon dioxide emission, the Group earnestly implemented the requirements of national carbon peak and carbon neutral policies, studied and formulated the Company's mid and long-term route for reduction of carbon emission, and actively participated in the building materials industry dual carbon policy research working and research on related topics of carbon collection for cement kiln flue gas. During the Reporting Period, the Group implemented technological modification for comprehensive energy efficiency improvement for some clinker production lines, it used advanced energy-saving and emission-reduction technology and equipment in the cement industry and extensively carried out upgrades to and modification for grate coolers. The Group also adopted modification for low-nitrogen decomposition furnaces, replaced raw material grinding mill with roll squeezer, and used high-efficiency fans and new insulative nanomaterials. During the Reporting Period, a total of 8 clinker production lines completed technological modification for comprehensive energy efficiency improvement, resulting in a cumulative total of 45 clinker production lines having completed technological modification for comprehensive energy efficiency improvement. At the same time, the Group adopted coal-burning accelerants, and endeavored to reduce coal consumption indicators in all respects, so as to reduce carbon dioxide emissions. The Group actively explored the areas of alternative fuels and renewable energy, combined the surrounding supply chain, increased the use of alternative fuels according to local conditions and, continued to promote the construction of photovoltaic, wind power generation projects. During the Reporting Period, 15 photovoltaic power projects were grid-connected successfully, one wind power project started construction, generated (discharged) electricity of 198.70 million degrees, so as to further reduce the carbon dioxide emission from fossil fuel.

## 6. Environmental and Social Responsibilities

All the subsidiaries of the Group have implemented the environmental assessment procedure 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》). The subsidiaries of the Group were equipped with online monitoring equipment in strict compliance with the requirements of national and local environmental protection policies. They have commissioned third-party institutions to implement regulated operation maintenance and formulated monitoring plans and conducted self-monitoring in strict compliance with the requirements of the industry's self-monitoring technology guidelines. The subsidiaries have made timely report and payments of environmental protection tax based on surveillance data, submitted pollutant discharge permit enforcement reports quarterly on a timely basis, and accepted public supervision by disclosing the companies' information on pollutant discharge and legal compliance. The subsidiaries have formulated environmental emergency response plan which had been filed with the environmental protection authorities 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》), the Management Measures for Environmental Emergencies (《突發環境事件應急管理辦法》) and other documents. They also carried out emergency drills regularly to ensure the Group is able to respond in a quick, orderly and efficient manner to reduce harm upon occurrence of any environmental pollution incidents (accidents), thereby achieving the purpose of public and environmental protection.

### 4. Administrative penalties due to environmental issues during the Reporting Period

In March 2023, Wuhu Ecology and Environment Bureau issued an administrative penalty decision on Wuhu South Cement Co., Ltd. (hereinafter referred to as "Wuhu South"), a subsidiary of the Company, and decided to impose an administrative fine of RMB200,000 based on an inspection conducted by the Wuhu Ecology and Environment Bureau on 1 November 2022 on Wuhu South, alleging that the concentration of ammonia and particles in the kiln tail of the production line of Wuhu South exceeded the standard, which violated the Regulations on the Administration of Pollutant Discharge Permission (《排污許可管理條例》). Wuhu South has applied to the Wuhu Municipal People's Government for an administrative review in this regard, as at the date of the publication of this report, the results of the administrative review have not been received.

Save as disclosed above, during the Reporting Period, no other subsidiaries of the Group were subject to administrative penalties due to environmental issues.

## 6. Environmental and Social Responsibilities

### (2) CONSOLIDATING AND EXPANDING ACHIEVEMENTS IN POVERTY ALLEVIATION AND RURAL REVITALIZATION

2023 is a key year to the effective convergence of the consolidation and expansion of the results of poverty alleviation and rural revitalization. During the Reporting Period, the Group has taken various measures to coordinate and carry out consolidation of achievements in poverty alleviation and rural revitalization work and made efforts to combine and mutually promote the two concepts in an organic manner.

The Group continued to earnestly implement various decisions and plans of the state and the Anhui Provincial Party Committee and Provincial Government, and actively participated in poverty alleviation work in certain areas in Anhui Province, including Jianglaojia Village in Jiangji Town of Lixin County, Wangren Town of Lixin County, Zhong Village in Banqiaotou Town of Jixi County, and Pingding Village in Yanqiao Town of Wuwei City. Taking into account the actual situation of the villages being assisted, the Group took appropriate and precise measures according to the local conditions, and made solid progress in rural development, rural construction, rural governance and other key works. The Group intensively promoted industrial assistance, vigorously supported the development of industries with local features, and innovated consumption assistance model to support brand shaping with standardization as the basis. Meanwhile, the Group improved the living environment and refined community infrastructure and public service system, and strengthened dynamic monitoring of poverty alleviation areas to prevent and mitigate the risk of returning to poverty, and continuously consolidate and expand the achievements in poverty alleviation. As the Company's project to provide assistance in Tibet, Basu Conch Cement Co., Ltd. fully practiced corporate social responsibility by donating materials of nearly RMB500,000 to the disadvantaged groups in surrounding villages and police stations, etc., and taking the initiative to purchase local agricultural by-products with sluggish sales amounting to nearly RMB1 million during the Reporting Period, thus contributing positively to the improvement of local people's livelihood as well as the national unity. In addition, during the Reporting Period, to contribute to the development of children's health in Anhui Province, the Company donated RMB500,000 to the "Anhui Future Healthy Children Development Foundation" which was utilized for a series of public welfare actions, such as relief for poor children with serious illnesses and popularisation of children's health knowledge.

## 6. Environmental and Social Responsibilities

The subsidiaries of the Group were mostly built near mountains and villages. While investing and building factories in rural areas, the Group played a positive role in increasing local financial tax revenue, promoting employment of rural population and boosting rural economic development. At the same time, the Group drove the flow of production factors such as technology, equipment, manpower and capital, thus injecting new momentum for rural revitalization. Adhering to the business tenet of “the highest quality and the sincerest service”, the Group strove to provide high-quality cement products for the construction of new village, improved the conditions for infrastructure construction such as roads, water resources and power supply and built a favorable living environment in rural areas. In addition, during the daily production and operation process, the Group adhered to respecting nature, adapting nature and protecting nature, firmly established and practiced the concept of “lucid waters and lush mountains are invaluable assets”, strictly kept the ecological redlines, oriented at the ecological environment-friendly and effective use of resources, continuously carried out restoration treatment towards ecological environment, attached great importance to the preservation of biodiversity, persistently promoted the construction of green plant and green mine, made great effort to build the digital and smart mines, pushed the changes of production and life style, so as to provide rural areas with a pleasant living environment featuring natural and beautiful landscape, stable and sound ecosystem, and harmony between humankind and nature, thus creating a healthy cycle of ecological and economic growth, and promoting rural revitalization with the concept of green, low-carbon, and sustainable development.

## 7. Significant Events

### **(1) APPROPRIATION OF FUNDS OF THE COMPANY FOR NON-OPERATING PURPOSE BY THE CONTROLLING SHAREHOLDER AND OTHER RELATED PARTIES DURING THE REPORTING PERIOD**

During the Reporting Period, there was no appropriation of the Company's funds for non-operating purpose by the controlling shareholder and other related parties.

### **(2) GUARANTEES IN VIOLATION OF THE PROVISIONS**

During the Reporting Period, there was no external guarantee provided in violation of the established decision-making procedures by the Company.

### **(3) ANALYSIS AND EXPLANATION ON REASONS AND IMPACTS OF CHANGES IN THE ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES**

During the Reporting Period, the accounting policies and accounting estimates of the Company remained unchanged.

### **(4) MATERIAL LITIGATION, ARBITRATION AND NEGATIVE MEDIA INQUIRY**

During the Reporting Period, the Group was not involved in any litigation, arbitration and 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.

### **(5) EVENTS REGARDING INSOLVENCY AND RESTRUCTURING**

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

### **(6) ACQUISITIONS OR DISPOSALS OF MATERIAL ASSETS AND EQUITY**

During the Reporting Period, the Group had not conducted any acquisitions and disposals of material assets or equity.

## 7. Significant Events

### (7) CONNECTED TRANSACTIONS

During the Reporting Period, the following significant connected transactions of the Group were subsisting under the SSE Listing Rules and the HKSE Listing Rules:

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

##### (1) *Transactions with Conch Holdings – 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 payable by the Company to Conch Holdings in respect of the use of the trademarks amounted to RMB26.14 million. Pursuant to the HKSE Listing Rules and the SSE Listing Rules, no announcements were required to be made in respect of such connected transaction, nor was such connected transaction subject to the independent shareholders’ approval requirement.

##### (2) *Transactions with Conch Technology – procurement of grinding aids*

On 29 December 2022, the Company and Conch Technology entered into the Procurement of Cement Admixtures (Grinding Aids) Contract, with a validity period from 1 January 2023 to 31 December 2023. Pursuant to the contract, the Group would procure cement grinding aids from Conch Technology and/or its relevant subsidiaries at the aggregate contract amount not exceeding RMB850 million.

## 7. Significant Events

The contract price of the Procurement of Cement Admixtures (Grinding Aids) Contract was determined after taking into account the estimated total procurement quantity of cement grinding aids needed according to the Group's cement production plan for the year of 2023 and the procurement unit price as determined through open tender, with reference to the historical transaction amounts of previous similar transactions. In respect of the aforesaid open tender, the Company rated a total of four suppliers (one of which being Conch Technology and the other three being independent third parties) who participated in this open tender, based on their operation results, credibility of contract performance, financial status, credit status, overall strengths, and after-sales service, etc. Rating was also made on the price quotations of their products, ranking from the lowest to the highest. According to the rating results, Conch Technology was selected as the Group's cement grinding aid supplier. In addition, in order to safeguard the interests of both parties, during the validity period of the contract, both parties may adjust the purchase price on a quarterly basis, based on the fluctuations of market price (in case of significant fluctuations) of the key raw materials for the production of grinding aids.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Procurement of Cement Admixtures (Grinding Aids) Contract was RMB446 million.

Conch Holdings, a controlling shareholder of the Company, holds 100% shares in Conch Science and Technology Innovation Materials, and Conch Science and Technology Innovation Materials holds 50.72% shares in Conch Technology. Therefore, pursuant to Chapter 14A of the HKSE Listing Rules, Conch Technology is an associate of Conch Holdings, and hence a connected person of the Company, and the transactions contemplated under the Procurement of Cement Admixtures (Grinding Aids) Contract thus constitute continuing connected transactions for the Company. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 29 December 2022. According to the SSE Listing Rules, Conch Technology is also a connected party of the Company, and the transactions under the above contract also constitute connected transactions under its definition. Since the above contract amount accounted for less than 0.5% of the Company's latest audited net assets, and the transaction took place through an open tender, the Company was not required to publish an ad hoc announcement on the website of the SSE in relation to the above-mentioned transaction.



## 7. Significant Events

### (3) *Transactions with Conch Accelerants Manufacturing Company – procurement of combustion accelerants*

On 1 January 2022, the Company and Conch Accelerants Manufacturing Company entered into the Combustion Accelerants Trial Contract, with a validity period from 1 January 2022 to 31 July 2022. Pursuant to the contract, the Group would procure combustion accelerants from Conch Accelerants Manufacturing Company at the aggregate contract amount not exceeding RMB59.50 million.

On 25 August 2022, the Company and Conch Accelerants Manufacturing Company entered into the Combustion Accelerants Procurement Contract, with a validity period from 25 August 2022 to 31 December 2023, pursuant to which, the Group would procure combustion accelerants from Conch Accelerants Manufacturing Company at the aggregate transaction amount not exceeding RMB477 million, of which the cap for the transaction amounts for the period from 25 August 2022 to 31 December 2022 was RMB140 million, and that for the period from 1 January 2023 to 31 December 2023 is RMB337 million.

The contract price of the Combustion Accelerants Procurement Contract was determined based on the Group's production plan during the period from 25 August 2022 to 31 December 2023 and the procurement unit price as determined by way of open tender. In order to maximize the Group's benefits from the procurement of combustion accelerants, upon arm's length negotiations, the final procurement unit price was reduced by about 1% of the unit price quoted in the winning bids.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Combustion Accelerants Procurement Contract was RMB36.72 million.

Conch Holdings, a controlling shareholder of the Company, holds 100% shares in Conch Science and Technology Innovation Materials. Conch Science and Technology Innovation Materials holds 100% shares in Conch Accelerants Manufacturing Company. Therefore, pursuant to Chapter 14A of the HKSE Listing Rules, Conch Accelerants Manufacturing Company is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Combustion Accelerants Trial Contract and the Combustion Accelerants Procurement Contract constitute continuing connected transaction for the Company. For details, please refer to the announcements of the Company dated 25 August 2022 and 2 September 2022 published on the websites of the Stock Exchange and the Company, respectively. According to the SSE Listing Rules, Conch Accelerants Manufacturing Company is also a related party of the Company, and the transactions under the above two contracts also constitute connected transactions for the Company. However, since the total amount of the above two contracts had not reached 0.5% of the latest audited

## 7. Significant Events

net assets of the Company, and transactions contemplated under the Combustion Accelerants Procurement Contract were conducted through open tender, the Company was not required to publish an ad hoc announcement for the aforesaid transactions on the website of the SSE.

### (4) *Transactions with Haihui Company – network cargo transportation service*

On 29 December 2022, the Company and Haihui Company entered into the Supply Chain Logistic Transportation Service Contract, with a validity period from 1 January 2023 to 31 December 2023. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for the Group's cement, clinker, aggregate and other products at an aggregate contract amount not exceeding RMB1 billion.

The contract price of the Supply Chain Logistic Transportation Service Contract was determined after taking into account the reasonable estimation of the transportation volume (with reference to the production and transportation volumes of various products in the year of 2022) according to the Group's production plans for cement, clinker, aggregate and other products for the year of 2023, and the transportation unit price of various products, as determined through open tender to be conducted by the relevant subsidiaries of the Company through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries of the Company shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transport quotations offered by not less than three independent third party qualified carriers who submitted a bid; and the bidder who offered the lowest price shall be selected. The relevant subsidiaries of the Company may further negotiate with the successful bidder on an arm's length basis, with the aim to further lower the transportation unit price. In addition, the Company had also referred to the historical transaction amount under the Network Cargo Transportation Service Contract in 2022 and assumed that there will be no material changes to (a) the general socio-economic environment of the PRC; and (b) the demand and transportation volume of various products under the Group's production plans during the year of 2023, when determining the cap for the aggregate transaction amount under the Supply Chain Logistic Transportation Service Contract.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Supply Chain Logistic Transportation Service Contract was RMB685 million.

## 7. Significant Events

Haihui Company is a non-wholly-owned subsidiary of the Company. As of the date of contract, the Company, Conch New Material and Conch IT Engineering held 50%, 20% and 10% equity interest in Haihui Company respectively, while Huitong Tianxia held 20% equity interest in Haihui Company. Both Conch New Material and Conch IT Engineering are subsidiaries of Conch Holdings. Accordingly, each of Conch New Material and Conch IT Engineering is an associate of Conch Holdings and hence a connected person of the Company. Pursuant to Chapter 14A of the HKSE Listing Rules, Haihui Company is a connected subsidiary of the Company and hence a connected person of the Company, the transactions contemplated under the Supply Chain Logistic Transportation Service Contract thus constitute continuing connected transactions for the Company. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company respectively on 29 December 2022. According to the SSE Listing Rules, Haihui Company is not a connected party of the Company, and hence the above-mentioned transactions do not constitute connected transactions for the Company as prescribed under the SSE Listing Rules.

(5) *Transactions with Conch IT Engineering – intelligent and information system operation and maintenance service*

On 30 May 2022, the Company and Conch IT Engineering entered into the Intelligent and Information System Operation and Maintenance Contract, with a validity period from 30 May 2022 to 30 May 2023. Pursuant to the contract, Conch IT Engineering would provide system platform, ancillary hardware and internet resources and operation and maintenance services for certain subsidiaries of the Company with a total contract price not exceeding RMB54.09 million, of which the cap for the transaction amount for the period from 1 January 2023 to 30 May 2023 was RMB22.5375 million.

The contract price of the Intelligent and Information System Operation and Maintenance Contract was determined mainly on a cost plus reasonable profit margin basis and was agreed by both parties after arm's length negotiation. Among which, the cost of the software and hardware of the systems was determined through open tender conducted by Conch IT Engineering or with reference to the market prices of similar products. The profit margin thereof was determined mainly with reference to the prices of similar transactions between the Group and Conch IT Engineering in the past, as well as the fees charged for intelligent and informatization projects in the industry. The base profit margin was 10% of the cost of the software and hardware of the systems. In view of the previous cooperation between the Company and Conch IT Engineering, after negotiations between the parties, the profit margin would be subject to appropriate downward adjustment below the 10% base profit margin. As such, the overall profit margin charged by Conch IT Engineering under the contract would not be higher than 10% of the cost of the hardware and software of the systems.

## 7. Significant Events

During the Reporting Period, the actual transaction amount (inclusive of tax) in relation to the execution of the Intelligent and Information System Operation and Maintenance Contract was RMB4.20 million.

Conch IT Engineering is a wholly-owned subsidiary of Conch Holdings, a controlling shareholder of the Company. Accordingly, Conch IT Engineering is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Intelligent and Information System Operation and Maintenance Contract constitute continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 30 May 2022 and 6 July 2022, respectively. According to the SSE Listing Rules, Conch IT Engineering is also a connected party of the Company, and the above transactions also constitute connected transactions for the Company under its definition. However, since the total amount of the contract and the other two contracts entered into between the Company and Conch IT Engineering on 30 May 2022 (as disclosed below) has not reached 0.5% of the latest audited net assets of the Company, the Company was not required to publish an ad hoc announcement for the said connected transactions on the website of the SSE.

### **2. Transactions with Conch IT Engineering – equipment supply and software design service and system design and technical service**

On 30 May 2022, the Company and Conch IT Engineering entered into the Intelligent and Informatization Project Equipment Supply and Software Design Contract, pursuant to which Conch IT Engineering would supply equipment and provide software design services for the intelligent and informatization projects of certain subsidiaries of the Company. The contract price amounted to RMB238.31 million. On the same day, the Company and Conch IT Engineering entered into the Production Process Control and Quality Management System Design and Technical Service Contract, pursuant to which Conch IT Engineering would provide design and technical services for the production process control system software, sales and product dispatch system, production data uploading and quality management system of the clinker production lines, grinding stations, aggregate, commodity concrete and technology modification projects of certain subsidiaries of the Company. The contract price amounted to RMB32 million.

## 7. Significant Events

The contract price of the Intelligent and Informatization Project Equipment Supply and Software Design Contract was determined mainly on a cost plus reasonable profit margin basis and was agreed by both parties after arm's length negotiation. Of which, the cost of the software and hardware of the systems was determined through open tender or with reference to the market prices of similar products. The profit margin thereof was determined mainly with reference to the prices of similar transactions between the Group and Conch IT Engineering in the past, as well as the fees charged for intelligent and informatization projects in the industry. The base profit margin was 10% of the cost of the software and hardware of the systems. In view of the previous cooperation between the Company and Conch IT Engineering, after negotiations between the parties, the profit margin would be subject to appropriate downward adjustment below the 10% base profit margin. As such, the overall profit margin charged by Conch IT Engineering under the contract would not be higher than 10% of the cost of the hardware and software of the systems.

The contract price of the Production Process Control and Quality Management System Design and Technical Service Contract was determined in accordance with the Notice on the Publication of Components of Construction and Installation Project Fee (《關於印發<建築安裝工程費用項目組成>的通知》) (Jianbiao [2013] 44) issued by the Ministry of Housing and Urban-Rural Development and the Ministry of Finance of the PRC, and the Construction Project Quantity List Pricing Specification (《建設工程工程量清單計價規範》) (GB50500-2013) issued by the Ministry of Housing and Urban-Rural Development of the PRC, as well as the project scale, investment amount, scope of design, technical requirements and prevailing market price, and with reference to the prices of previous similar transactions between the Group and Conch IT Engineering, and was agreed by both parties after arm's length negotiation.

During the Reporting Period, the actual transaction amount (inclusive of tax) in relation to the execution of the Intelligent and Informatization Project Equipment Supply and Software Design Contract between the Company and Conch IT Engineering was RMB58.47 million. If including the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) with respect to the intelligent and informatization equipment supply and software design between the Company and Conch IT Engineering during the Reporting Period amounted to RMB62.62 million. During the Reporting Period, the actual transaction amount (inclusive of tax) in relation to the execution of the Production Process Control and Quality Management System Design and Technical Service Contract was RMB1.16 million. If including the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) with respect to the production process control and quality management system design and technical services between the Company and Conch IT Engineering during the Reporting Period amounted to RMB2.53 million.

## 7. Significant Events

Conch IT Engineering is a wholly-owned subsidiary of Conch Holdings. Accordingly, Conch IT Engineering is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Intelligent and Informatization Project Equipment Supply and Software Design Contract and the Production Process Control and Quality Management System Design and Technical Service Contract constitute connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 30 May 2022 and 6 July 2022, respectively. According to the SSE Listing Rules, Conch IT Engineering is also a connected party of the Company, and the transactions contemplated under the above two contracts also constitute connected transactions for the Company under its definition. However, since the total amount of the above two contracts and the Intelligent and Information System Operation and Maintenance Contract entered into between the Company and Conch IT Engineering on 30 May 2022 (as disclosed above) has not reached 0.5% of the latest audited net assets of the Company, the Company was not required to publish an ad hoc announcement for the said connected transactions on the website of SSE.

### **3. Transactions with Conch Design Institute – engineering project design and technology services, preheater equipment design and supply services, SCR denitration technology modification services**

#### *(1) Engineering project design and technology services*

On 29 April 2022, the Company and Conch Design Institute entered into the Engineering Project Design and Technology Service Contract (hereinafter referred to as the “Engineering Project Design and Technology Service Contract (2022)”), pursuant to which Conch Design Institute agreed to provide engineering design and technology modification services for the clinker production lines, cement grinding stations, aggregate, manufactured sand and overall energy efficiency enhancement projects of certain subsidiaries of the Company. The contract price amounted to RMB193.68 million.

## 7. Significant Events

The contract price of the Engineering Project Design and Technology Service Contract (2022) was determined with reference to the Engineering Survey Design Fee Standard (2002 Revised Version) (《工程勘察設計收費標準》(2002年修訂本)) jointly promulgated by National Development and Reform Commission of the PRC and the Ministry of Housing and Urban-Rural Development of the PRC (hereinafter referred to as the “Engineering Survey Design Fee Standard”), and the Provisional Provisions on Preparation Works Consultation Charges for Construction Projects (Cost Estimate Paper [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 (hereinafter referred to as the “Provisional Provisions on Preparation Works Consultation Charges for Construction Projects”), as well as the project scale, investment amount, scope of design, technology indicators, the prevailing market prices for provision of similar services, and agreed between both parties on the basis of equality and mutual benefit. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company respectively on 29 April 2022.

During the Reporting Period, the transaction amount (inclusive of tax) in relation to the execution of the Engineering Project Design and Technology Service Contract (2022) was RMB13.80 million. If including the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) with respect to the engineering project design and technology services between the Group and Conch Design Institute during the Reporting Period amounted to RMB79.61 million.

On 17 July 2023, the Company and Conch Design Institute entered into the Engineering Project Design and Technology Service Contract (hereinafter referred to as the “Engineering Project Design and Technology Service Contract (2023)”), pursuant to which Conch Design Institute agreed to provide engineering design and/or technology modification services for projects such as aggregate, manufactured sand, commodity concrete, grinding stations and roller presses technology modification projects, comprehensive projects of certain subsidiaries of the Company, large-scale special modification projects as well as engineering consulting service. The total contract price amounted to RMB128.70 million.

## 7. Significant Events

The contract price of the Engineering Project Design and Technology Service Contract (2023) was determined with reference to the requirements under the Engineering Survey Design Fee Standard and the Provisional Provisions on Preparation Works Consultation Charges for Construction Projects, as well as the scale, investment amount, scope of design, technology indicators of each project, the prevailing market prices for provision of similar services, and agreed between both parties on the basis of equality and mutual benefit. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 17 July 2023.

During the Reporting Period, the Group did not incur any transaction amount in respect of the Engineering Project Design and Technology Service Contract (2023).

### (2) *Preheater equipment design and supply services*

On 3 February 2023, the Company and Conch Design Institute entered into two Sale and Purchase Contracts in relation to preheater equipment design and supply service (hereinafter referred to as “two Preheater Sale and Purchase Contracts”), pursuant to which Conch Design Institute agreed to provide Grade-6 preheater equipment design and supply service for the clinker production lines of two subsidiaries of the Company, respectively. Each of the contract price amounted to RMB32.00 million and the total price of the two contracts amounted to RMB64.00 million.

The contract prices of each of the two Preheater Sale and Purchase Contracts was determined (i) based on the quotation provided by Conch Design Institute in an open tender, and upon arm’s length negotiations between the Company and Conch Design Institute, the price quoted in the open tender was reduced by about 10%, and (ii) according to the information supplied by Conch Design Institute to the Company, the Company took reference to the prices offered by Conch Design Institute to its independent third party customers for similar or comparable equipment design and supply services in the past 12 months, being not more favorable than those offered to the Company by Conch Design Institute.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the two Preheater Sale and Purchase Contracts was RMB22.40 million.



## 7. Significant Events

### (3) SCR denitration technology modification services

On 16 January 2023, the Company and Conch Design Institute entered into the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract, pursuant to which Conch Design Institute provided engineering design, technology calibration and equipment supply and adjustment services for the SCR denitration technology modification projects for eight clinker production lines of certain subsidiaries of the Company. The contract price amounted to RMB64.00 million.

The contract price of the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract was determined with reference to the requirements under the Engineering Survey Design Fee Standard, as well as the project scale, scope of design, technology indicators and the market prices for SCR denitration technology modification services, and as agreed between the parties on the basis of equality and mutual benefit. The Company had also made enquiries and comparisons of prices offered by no less than three independent third party service providers and the price offered to the Company by Conch Design Institute had significant price advantage.

During the Reporting Period, the transaction amount (inclusive of tax) in relation to the execution of the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract was RMB34.46 million. If including the amount incurred in connection with the performance of relevant contracts entered into in previous years, the accumulated transaction amounts (inclusive of tax) with respect to the SCR denitration technology modification services between the Company and Conch Design Institute during the Reporting Period amounted to RMB68.58 million.

Conch Design Institute is a wholly-owned subsidiary of Conch Holdings. Pursuant to Chapter 14A of the HKSE Listing Rules, Conch Design Institute is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract, the two Preheater Sale and Purchase Contracts, the Engineering Project Design and Technology Service Contract (2022), and the Engineering Project Design and Technology Service Contract (2023) constitute connected transactions of the Company. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 17 July 2023. According to the SSE Listing Rules, Conch Design Institute is also a connected party of the Company and the transactions under the above five contracts also constitute connected transactions. However, as the aggregate contract amount of the above four contracts signed in 2023 entered into by the Group with Conch Design Institute within 12 consecutive months accounted for less than 0.5% of the latest audited net assets of the Company, the Company was not required to publish an ad hoc announcement for the said connected transactions on the website of the SSE.

## 7. Significant Events

### 4. Transactions with Conch Capital – investment in partnership fund

On 6 June 2023, the Company entered into the Partnership Agreement for Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) (hereinafter referred to as the “Partnership Agreement”) and its supplemental agreement with Conch Capital, Haitong Capital, Wuhu Industrial Investment, High New Fund, Zhenye Investment and Ningbo Shangyi to jointly invest in the Industrial Internet Master Fund. For the Company’s investment in the Industrial Internet Master Fund, please refer to the paragraph headed “7. Cooperation and investment with private equity fund” under “(1) PRINCIPAL INVESTMENTS DURING THE REPORTING PERIOD” in Chapter 4 “Report of the Directors” of this report.

Conch Capital, one of the partners of the Industrial Internet Master Fund, is a wholly-owned subsidiary of Conch Holdings (where Conch Capital is owned as to 95% by Conch Holdings, and 5% by Conch Science and Technology Innovation Materials, which is a wholly-owned subsidiary of Conch Holdings). Therefore, Conch Capital is an associate of Conch Holdings, and hence a connected person of the Company under Chapter 14A of the HKSE Listing Rules. The entering into of the Partnership Agreement and its supplemental agreement and the transactions contemplated thereunder constitute connected transactions of the Company. According to the SSE Listing Rules, Conch Capital is also a connected party of the Company, and the entering into of the Partnership Agreement and its supplemental agreement and the transactions contemplated thereunder also constitute connected transactions as defined in the SSE Listing Rules.

### (8) MATERIAL CONTRACTS

1. During the Reporting Period or during the previous periods and subsisting in the Reporting Period, 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.

## 7. Significant Events

### 2. Guarantees

During the Reporting Period, all the external guarantees of the Group were in compliance with the approval procedures of the Board and/or the general meeting of the Company. The guarantees provided by the Group to its majority-owned companies in aggregate amounted to RMB327.35 million, all being guarantees for collateral liabilities, details of which are as follows:

No.	Guaranteed company	Guarantor	Shareholding proportion of the guarantor	Amount guaranteed by the guarantor (RMB'000)	Guaranteed period	Date of guarantee contract	Name of creditor
1	PT Conch Cement Indonesia	The Company	75%	224,000 (USD31.00 million)	2 years	2023.3.6	Mitsubishi Bank of Japan
2	Jiayuguan Haizhong Environmental Protection Technology Co., Ltd.	Anhui Haizhong Environmental Company Limited	100%	60,000	7 years	2023.6.6	Bank of China Jiayuguan Branch
3	Battambang Conch Cement Co., Ltd.	The Company	60%	43,350 (USD6.00 million)	1 year	2023.6.13	Industrial and Commercial Bank of China Limited Phnom Penh Branch
<b>Total</b>				<b>327,350</b>			

Notes:

1. The Company provided full guarantee on a 100% basis for PT Conch Cement Indonesia, which provided a counter-guarantee to the Company through asset pledge; the Company provided guarantee for Battambang Conch Cement Co., Ltd. in proportion to its shareholding; Anhui Haizhong Environmental Protection Co., Ltd., a subsidiary of the Company, provided guarantee for Jiayuguan Haizhong Environmental Protection Technology Co., Ltd. in proportion to its shareholding.
2. The amount presented in RMB for the USD-denominated loans guaranteed by the Company was converted at the mid-point rate of the USD/RMB exchange rate published by the People's Bank of China on the last trading day in the first half of 2023.

During the Reporting Period, the aggregate amount of guarantees provided by Company to its subsidiaries was RMB267.35 million, and the aggregate amount of guarantees provided by the Company's subsidiaries to subsidiaries which are within the scope of the consolidated financial statements of the Group was RMB60 million.

## 7. Significant Events

As at the end of the Reporting Period, the balance of the external guarantees provided by the Company (including guarantees provided to subsidiaries and joint ventures) amounted to an equivalent of RMB4,574.63 million (comprising RMB1,539.01 million and USD420.11 million), the balance of guarantee provided by the Company's subsidiaries to subsidiaries which are within the scope of the consolidated financial statements of the Group was RMB3,320.78 million, and the aggregate amount of guarantees amounted to RMB7,895.41 million, representing 4.34% of the net assets of the Group as at the end of the Reporting Period, of which the aggregate balance of the guarantees provided to subsidiaries amounted to RMB7,010.67 million and that to joint ventures amounted to RMB884.74 million.

During the Reporting Period, the amount of guarantees provided by the Company to companies with a gearing ratio over 70% amounted to RMB224 million.

As at the end of the Reporting Period, save for the provision of guarantee to PT SDIC Papua Cement Indonesia, a joint venture, the Company did not provide any other guarantee for its controlling shareholder, de facto controllers, other related parties and any unincorporated entities 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.

### **(9) 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 current Directors, Supervisors, senior management, controlling shareholder and de facto controller was subject to any penalties and/or remedies by the competent authorities.

### **(10) STATUS OF INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER**

During the Reporting Period, none of the Company, its controlling shareholder and de facto controller failed to perform any obligations from effective legal instruments of the court or settle any due debt of large amount.

### **(11) NO EVENT THAT MIGHT IMPOSE MATERIAL IMPACTS**

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

## 8. 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	(Unit: Share)							
	Before change		Increase/decrease (+,-)			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>	

## 8. Changes in Shares and Shareholders

### (2) SHAREHOLDERS

As at the end of the Reporting Period, the total number of shareholders of the Company was 335,034, of which 111 were holders of H Shares. The total number of shareholders and the shareholdings of the top ten registered shareholders as at the end of the Reporting Period are set out as follows:

Name of shareholder	Nature of shareholder	Increase or	Number of shares	Percentage of shareholding (%)	Class of shares	Pledged, marked or frozen	
		decrease during the Reporting Period (share)	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	-51,000	1,298,256,610	24.50	H Share	Unknown	Unknown
3. China Securities Finance Corporation Limited	State-owned legal person	-	158,706,314	2.99	A Share	Unknown	Unknown
4. Hong Kong Securities Clearing Company Limited	Foreign legal person	-89,243,789	155,379,351	2.93	A Share	Unknown	Unknown
5. Central Huijin Asset Management Ltd.	State-owned legal person	-	68,767,400	1.30	A Share	Unknown	Unknown
6. Guosen Securities Co., Ltd.	Others	35,096	18,347,697	0.35	A Share	Unknown	Unknown
7. Bank Negara Malaysia	Others	-	16,531,469	0.31	A Share	Unknown	Unknown
8. Anhui Conch Venture Group <sup>(Note 3)</sup>	Domestic non-state-owned legal person	-	16,531,300	0.31	A Share	Unknown	Unknown
9. China Minsheng Banking Corp., Ltd. – Essence Steady Value-added Flexible Allocation Hybrid Securities Investment Fund	Others	-2,765,000	15,375,038	0.29	A Share	Unknown	Unknown
10. Bank of Ningbo Co., Ltd. – Zhongtai Xingyuan Value Selected Flexible Allocation Mixed Securities Investment Fund	Others	-3,461,700	15,115,042	0.29	A Share	Unknown	Unknown

## 8. Changes in Shares and Shareholders

### Notes:

- (1) During the Reporting Period, there was no change in the number of shares of Company held by Conch Holdings. The shares held by Conch Holdings were not subject to any pledge, mark, freezing order or trust.
- (2) HKSCC Nominees Limited held 1,298,256,610 H Shares, representing 24.50% of the total share capital of the Company, and 99.90% of the issued H Shares of the Company. These shares were held on behalf of its various clients.
- (3) In 2007, the Company issued A Shares to Anhui Conch Venture Group as consideration for the purchase of the relevant assets of Anhui Conch Venture Group. Anhui Conch Venture Group had made the following undertakings in relation to the shareholders' rights arrangements in respect of the shares held: except for the shareholders' rights of a proprietary nature (including but not limited to rights to receive dividends), Anhui Conch Venture Group would forgo its other shareholder's rights such as rights to vote, nominate and elect Directors/Supervisors of the Company, so long as it holds such consideration shares. As at 31 December 2022, such consideration shares and those shares derived from the capitalization of capital reserve fund had been disposed of in its entirety. The 16,531,300 A Shares held by Anhui Conch Venture Group during the Reporting Period were acquired from the secondary market and were entitled to voting rights and other shareholders' rights in accordance with the law.
- (4) All the above shares are floating shares not subject to trading restrictions.
- (5) The Board is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.
- (6) During the Reporting Period, the Company did not carry out share repurchase, there was no designated repurchase account among the top ten shareholders.

## 8. Changes in Shares and Shareholders

### (3) SUBSTANTIAL SHAREHOLDERS

As at the end of the Reporting Period, the following persons (other than the Directors, Supervisors 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:

<b>Name of shareholder</b>	<b>Number of ordinary shares held</b>	<b>Nature of interest</b>	<b>Percentage of shareholding of the relevant class of shares</b>
Conch Holdings	1,928,870,014 A Shares (long position) (Note 1)	Beneficial owner	48.23% (Note 2)
Anhui Provincial Investment Group Holding 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.	80,414,216 H Shares (long position) (Note 5)	Interest of a controlled corporation	6.19% (Note 3)
Artisan Partners Asset Management Inc.	65,320,500 H Shares (long position) (Note 6)	Interest of a controlled corporation	5.03% (Note 3)
Artisan Partners Holdings LP	65,320,500 H Shares (long position) (Note 6)	Interest of a controlled corporation	5.03% (Note 3)
Artisan Partners Limited Partnership	65,320,500 H Shares (long position) (Note 6)	Investment manager	5.03% (Note 3)



## 8. 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 New Building Material”), 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 New Building Material, 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 were held by Taiwan Cement Corporation through certain of its 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 of the Company accordingly.
- (5) Based on the disclosure of interests form submitted by BlackRock, Inc. on 15 June 2023 in respect of the relevant event that occurred on 13 June 2023, 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 forms submitted by Artisan Partners Asset Management Inc. (“APAM”), Artisan Partners Holdings LP (“AP Holdings”) and Artisan Partners Limited Partnership (“APLP”) respectively on 3 March 2022 in respect of the relevant event that occurred on 28 February 2022, these shares were held by APLP in the capacity of an investment manager. APLP is wholly owned by AP Holdings and AP Holdings is in turn wholly owned by APAM. Pursuant to the SFO, AP Holdings and APAM were deemed to have interests in the entire number of shares of the Company held by APLP.

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.

### **(4) PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

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. Changes in Shares and Shareholders

### (6) 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 2022 (share)	Increase/ decrease in number of shares during the Reporting Period (share)	Number of shares held as at 30 June 2023 (share)
Liu Tiantian	Staff representative Supervisor	63,500 (H Shares)	–	63,500 (H Shares)
Xu Yue	Assistant to the general manager	600 (A Shares)	–	600 (A Shares)

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

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

As at the end of the Reporting Period, the interests or short positions held by the Directors, Supervisors, chief executive of the Company and their respective close associates (as defined in the HKSE Listing Rules) in the share, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, are set out below:

Name	Position	The Company/ Name of associated corporation	Nature of interest	Number of shares held (share)	Percentage of shareholding of the relevant class of shares
Liu Tiantian	Staff representative Supervisor	Conch Cement	Beneficial owner	63,500 (H Shares)	0.00%
		Conch Environment Protection	Beneficial owner	3,533,439	0.19%
Li Qunfeng	Executive Director and general manager	Conch Environment Protection	Beneficial owner	2,050,000	0.11%
			Interests held jointly with another person <sup>Note</sup>	481,782,979	26.37%
Zhou Xiaochuan	Executive Director and Secretary to the Board (Joint Company Secretary)	Conch Environment Protection	Beneficial owner	783,000	0.04%
			Interests of spouse	573,142	0.03%
			Interests held jointly with another person <sup>Note</sup>	482,476,837	26.41%
Chen Yongbo	Supervisor	Conch Environment Protection	Beneficial owner	521,000	0.03%

## 8. Changes in Shares and Shareholders

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

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

### (8) CORPORATE GOVERNANCE CODE

During the Reporting Period, the Company had complied with all the code provisions as set out in Part 2 of the Corporate Governance Code in Appendix 14 to the HKSE Listing Rules.

### (9) 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. Having made specific enquiries 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 regarding Directors' securities transactions during the Reporting Period.

### (10) STAFF AND REMUNERATION

As of the end of the Reporting Period, the Group had 51,433 employees with a total remuneration of approximately RMB4,207 million, which represents the total amount of remuneration of employees for the Reporting Period.

During the Reporting Period, the Group implemented an annual remuneration system for its middle and senior management members whose annual remunerations were assessed with reference to the Group's production volume, sales volume, efficiency, costs, environmental protection, production safety and other key indicators according to the tenure system and contract management, while a position-based and performance-linked assessment management system was adopted for its professional technical management staff and general staff whose remunerations were assessed based on position indicators and performance of their duties and responsibilities according to the position and performance based remuneration system.

## 8. Changes in Shares and Shareholders

During the Reporting Period, based on the three-tier training management systems at its head office, regional entities and subsidiaries, the Group continued to innovate the training methods, comprehensively organised and provided multi-level and diversified training programmes, with an aim to enhance the management ability of the management personnel and strengthen the professional skills of the staff. The headquarters of the Group introduced training resources provided by external educational enterprises, launched a series of lectures on “Conch Lecture Hall – Innovation Leadership” to provide professional knowledge training for the cadres and employees, thus effectively improving their comprehensive operation and management ability. In addition, the Group fully promoted the construction of training centre to build a demonstration centre for the education and training of skilled personnel that integrates different specialities, while taking multiple measures to encourage employees who met the related conditions to apply for professional and technical titles and improve their academic qualifications through in-service education to lay a solid foundation for building a quality professional team. To help employees better adapt to the Company’s development needs, the Group integrated and coordinated talent resources in various regions, and established a sound rotation and transfer training mechanism. In light of the actual training needs, the Group’s subsidiaries also provided daily training for staff by different specialties and departments, so as to secure adequate reserve of human resources for stable production and effective management control. Meanwhile, the Group continued to innovate training methods and self-developed micro-courses to improve the pertinence and effectiveness of the training and further refine the training course system of the Company.

### (11) CHANGE IN CONTROLLING SHAREHOLDER AND DE FACTO CONTROLLER

During the Reporting Period, there was no change in controlling shareholder and de facto controller of the Company.

## 9. Information on Bonds

### **DEBT FINANCING INSTRUMENTS OF NON-FINANCIAL ENTERPRISES ON THE INTER-BANK BOND MARKET**

In 2022, in order to meet its operational and development needs, further broaden financing channels, reduce financing costs and optimize its debt structure, upon the approval of the Board and the general meeting of the Company, the Company applied to the National Association of Financial Market Institutional Investors of the PRC (“NAFMII”) for registration of issuing medium-term notes of not more than RMB10 billion (inclusive of RMB10 billion). In October 2022, NAFMII agreed to accept the Company’s registration for the issuance of the medium-term notes, with a total registered amount of RMB10 billion. The registered amount will be valid for two years from 14 October 2022. For details, please refer to the Company’s announcements on the websites of the Stock Exchange and the Company on 16 June, 13 July and 19 October 2022, and on the SSE website on 17 June, 14 July and 20 October 2022 (Provisional 2022-25, Provisional 2022-30, Provisional 2022-38). As at the date of the approval of this report, the Company had not issued the medium-term notes. The Company will issue the notes at appropriate time within the validity period of the registration in accordance with relevant requirements and based on the market condition and the needs of the Company.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of profit or loss

for the six months ended 30 June 2023 – unaudited

(Expressed in Renminbi Yuan ("RMB"))

	Note	Six months ended 30 June	
		2023 RMB'000	2022 RMB'000
<b>Revenue</b>	4	<b>65,436,307</b>	56,275,749
Cost of sales and services rendered		<b>(53,228,724)</b>	(40,689,532)
<b>Gross profit</b>		<b>12,207,583</b>	15,586,217
Other income	5	<b>1,917,957</b>	2,301,133
Selling and marketing costs		<b>(1,627,155)</b>	(1,525,062)
Administrative expenses		<b>(2,858,987)</b>	(2,598,417)
Research and development costs		<b>(707,058)</b>	(815,475)
<b>Profit from operations</b>		<b>8,932,340</b>	12,948,396
Finance costs	6(a)	<b>(415,610)</b>	(241,870)
Share of profits of associates		<b>198,426</b>	220,402
Share of profits of joint ventures		<b>107,885</b>	187,611
<b>Profit before taxation</b>	6	<b>8,823,041</b>	13,114,539
Income tax	7	<b>(1,696,272)</b>	(2,814,075)
<b>Profit for the period</b>		<b>7,126,769</b>	10,300,464
<b>Attributable to:</b>			
Equity shareholders of the Company		<b>6,755,607</b>	9,970,554
Non-controlling interests		<b>371,162</b>	329,910
<b>Profit for the period</b>		<b>7,126,769</b>	10,300,464
<b>Earnings per share</b>	8		
Basic		<b>RMB1.27</b>	RMB1.88
Diluted		<b>RMB1.27</b>	RMB1.88

The notes on pages 103 to 136 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 20(a).

## 10. Financial Accounting Report (Unaudited)

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

for the six months ended 30 June 2023 – unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Profit for the period</b>	<b>7,126,769</b>	10,300,464
<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)	(567,236)	(1,805,159)
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of financial statements of overseas subsidiaries	(113,244)	(38,521)
Shares of other comprehensive income of investees	28,730	19,725
<b>Other comprehensive income for the period</b>	<b>(651,750)</b>	(1,823,955)
<b>Total comprehensive income for the period</b>	<b>6,475,019</b>	8,476,509
<b>Attributable to:</b>		
Equity shareholders of the Company	6,089,157	8,071,082
Non-controlling interests	385,862	405,427
<b>Total comprehensive income for the period</b>	<b>6,475,019</b>	8,476,509

The notes on pages 103 to 136 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of financial position

at 30 June 2023 – unaudited  
(Expressed in Renminbi Yuan)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Non-current assets</b>			
Property, plant and equipment			
– Investment properties	9	56,903	73,409
– Other property, plant and equipment	10	101,501,563	97,721,643
Intangible assets		24,397,325	24,638,108
Goodwill		1,146,037	1,145,964
Interests in associates		4,836,700	4,745,760
Interests in joint ventures		2,172,192	2,046,895
Loans and receivables	11	288,013	292,657
Long-term prepayments	9	2,957,736	2,328,969
Financial assets measured at FVOCI	12	1,659,717	2,325,186
Financial assets measured at fair value through profit or loss (“FVPL”)	13	1,030,400	1,001,300
Deferred tax assets		1,391,132	1,248,931
		<b>141,437,718</b>	<b>137,568,822</b>
<b>Current assets</b>			
Inventories	14	10,741,320	11,678,994
Trade and bills receivables	15	17,361,286	16,957,929
Financial assets measured at FVPL	13	3,136,852	10,754,921
Prepayments and other receivables	16	6,723,319	7,874,486
Amounts due from related parties	23(d)	635,792	663,626
Tax recoverable		404,286	611,940
Restricted cash deposits		783,800	807,730
Bank deposits with maturity over three months		45,783,179	40,899,551
Cash and cash equivalents	17	14,174,512	16,158,423
		<b>99,744,346</b>	<b>106,407,600</b>

The notes on pages 103 to 136 form part of this interim financial report.



## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of financial position (Continued)

at 30 June 2023 – unaudited  
(Expressed in Renminbi Yuan)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Current liabilities</b>			
Trade and bills payables	18	4,979,149	6,659,874
Other payables and accruals		9,786,056	11,283,855
Current portion of long-term payables		62,222	65,013
Contract liabilities		3,295,458	3,564,849
Bank loans and other borrowings	19	12,403,199	12,300,541
Lease liabilities		24,139	24,869
Amounts due to related parties	23(d)	861,496	901,609
Current taxation		986,639	770,634
		<b>32,398,358</b>	<b>35,571,244</b>
<b>Net current assets</b>			
		<b>67,345,988</b>	<b>70,836,356</b>
<b>Total assets less current liabilities</b>			
		<b>208,783,706</b>	<b>208,405,178</b>
<b>Non-current liabilities</b>			
Bank loans and other borrowings	19	11,335,003	9,688,651
Lease liabilities		47,074	56,049
Long-term payables		277,865	311,033
Deferred income		910,434	748,696
Deferred tax liabilities		1,709,055	1,691,864
		<b>14,279,431</b>	<b>12,496,293</b>
<b>NET ASSETS</b>			
		<b>194,504,275</b>	<b>195,908,885</b>

The notes on pages 103 to 136 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Consolidated statement of financial position (Continued)

at 30 June 2023 – unaudited

(Expressed in Renminbi Yuan)

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>CAPITAL AND RESERVES</b>			
Share capital		5,299,303	5,299,303
Reserves		176,521,104	178,263,329
<b>Total equity attributable to equity shareholders of the Company</b>		<b>181,820,407</b>	183,562,632
<b>Non-controlling interests</b>		<b>12,683,868</b>	12,346,253
<b>TOTAL EQUITY</b>		<b>194,504,275</b>	195,908,885

The notes on pages 103 to 136 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 2023 – unaudited

(Expressed in Renminbi Yuan)

Note	Attributable to equity shareholders of the Company											
	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory surplus reserve	Fair value reserve (non-recycling)	Share of other comprehensive income of investees	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 1 January 2022</b>	5,299,303	9,990,385	300,514	(278,838)	2,649,654	250,073	(46,853)	-	165,437,346	183,601,584	8,137,302	191,738,886
<b>Changes in equity for the six months ended 30 June 2022:</b>												
Profit for the period	-	-	-	-	-	-	-	-	9,970,554	9,970,554	329,910	10,300,464
Other comprehensive income	-	-	-	(114,038)	-	(1,805,159)	19,725	-	-	(1,899,472)	75,517	(1,823,955)
<b>Total comprehensive income</b>	-	-	-	(114,038)	-	(1,805,159)	19,725	-	9,970,554	8,071,082	405,427	8,476,509
Acquisition of subsidiaries under common control	-	(53,383)	-	-	-	-	-	-	-	(53,383)	-	(53,383)
Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(374,772)	(374,772)
Dividends approved in respect of the previous year	20(a)	-	-	-	-	-	-	-	(12,612,340)	(12,612,340)	-	(12,612,340)
Capital contribution received by non-wholly owned subsidiaries from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	430,566	430,566
Acquisition of non-controlling interests without a change of control	-	(4,834)	-	-	-	-	-	-	-	(4,834)	(85,347)	(90,181)
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	-	-	215,196	215,196
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	-	-	-	-	-	(24,139)	-	-	24,139	-	-	-
Share of change of capital reserve of the investees	-	-	8,482	-	-	-	-	-	-	8,482	-	8,482
<b>Balance at 30 June 2022</b>	5,299,303	9,932,168	308,996	(392,876)	2,649,654	(1,579,225)	(27,128)	-	162,819,699	179,010,591	8,728,372	187,738,963

The notes on pages 103 to 136 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 2023 – unaudited

(Expressed in Renminbi Yuan)

	Attributable to equity shareholders of the Company												
	Note	Share capital	Share premium	Capital reserve	Exchange reserve	Statutory surplus reserve	Fair value reserve (non-recycling)	Share of other comprehensive income of investees	Other reserve	Retained profits	Total	Non-controlling interests	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Balance at 30 June 2022</b>													
<b>and 1 July 2022</b>		5,299,303	9,932,168	308,996	(392,876)	2,649,654	(1,579,225)	(27,128)	-	162,819,699	179,010,591	8,728,372	187,738,963
<b>Changes in equity for the six months ended 31 December 2022:</b>													
Profit for the period		-	-	-	-	-	-	-	-	5,889,999	5,889,999	166,890	6,056,889
Other comprehensive income		-	-	-	(254,797)	-	(1,124,876)	(5,694)	-	-	(1,385,367)	(28,176)	(1,413,543)
<b>Total comprehensive income</b>		-	-	-	(254,797)	-	(1,124,876)	(5,694)	-	5,889,999	4,504,632	138,714	4,643,346
Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	(36,300)	(36,300)
Capital contribution received by non-wholly owned subsidiaries from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	265,633	265,633
Acquisition of subsidiaries with non-controlling interests		-	-	-	-	-	-	-	-	-	-	3,280,676	3,280,676
Acquisition of non-controlling interests without a change of control		-	(25,124)	-	-	-	-	-	-	-	(25,124)	(30,842)	(55,966)
Transfer of fair value reserve upon the disposal of financial assets at FVOCI		-	-	-	-	-	1,952,226	-	-	(1,952,226)	-	-	-
Share of change of capital reserve of the investees		-	-	72,533	-	-	-	-	-	-	72,533	-	72,533
Safety production fund		-	-	-	-	-	-	-	168,085	(168,085)	-	-	-
<b>Balance at 31 December 2022</b>		5,299,303	9,907,044	381,529	(647,673)	2,649,654	(751,875)	(32,822)	168,085	166,589,387	183,562,632	12,346,253	195,908,885

The notes on pages 103 to 136 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 2023 – unaudited

(Expressed in Renminbi Yuan)

Note	Attributable to equity shareholders of the Company											Total equity RMB'000
	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	Other reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	
Balance at 1 January 2023	5,299,303	9,907,044	381,529	(647,673)	2,649,654	(751,875)	(32,822)	168,085	166,589,387	183,562,632	12,346,253	195,908,885
<b>Changes in equity for the six months ended 30 June 2023:</b>												
Profit for the period	-	-	-	-	-	-	-	-	6,755,607	6,755,607	371,162	7,126,769
Other comprehensive income	-	-	-	(127,944)	-	(567,236)	28,730	-	-	(666,450)	14,700	(651,750)
Total comprehensive income	-	-	-	(127,944)	-	(567,236)	28,730	-	6,755,607	6,089,157	385,862	6,475,019
Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(147,704)	(147,704)
Dividends approved in respect of the previous year	20(a)	-	-	-	-	-	-	-	(7,842,968)	(7,842,968)	-	(7,842,968)
Acquisition of non-controlling interests without a change of control	-	(2,420)	-	-	-	-	-	-	-	(2,420)	(29,980)	(32,400)
Share of change of capital reserve of the investees	-	-	14,006	-	-	-	-	-	-	14,006	129,437	143,443
Safety production fund	-	-	-	-	-	-	-	274,729	(274,729)	-	-	-
Balance at 30 June 2023	5,299,303	9,904,624	395,535	(775,617)	2,649,654	(1,319,111)	(4,092)	442,814	165,227,297	181,820,407	12,683,868	194,504,275

Consolidated statement of changes in equity

The notes on pages 103 to 136 form part of this interim financial report.

## 10. Financial Accounting Report (Unaudited)

### Condensed consolidated cash flow statement

for the six months ended 30 June 2023 – unaudited  
(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Operating activities</b>		
Cash generated from operations	6,358,524	9,951,414
– Income tax paid	(1,281,094)	(5,483,066)
– Interest paid	(471,961)	(138,085)
<b>Net cash generated from operating activities</b>	<b>4,605,469</b>	<b>4,330,263</b>
<b>Investing activities</b>		
Payments for purchase of property, plant and equipment, land use rights and intangible assets	(6,649,062)	(16,721,030)
Proceeds from sale of financial assets measured at FVPL	10,661,969	18,194,161
Payment for the purchase of financial assets measured at FVOCI	–	(4,773,089)
Proceeds from maturity of bank deposits over three months	12,212,051	2,357,792
Payments of new bank deposits with maturity over three months	(17,095,680)	(2,894,975)
Payment for the purchase of financial assets measured at FVPL	(3,000,000)	(1,088,154)
Interest received	470,792	838,469
Payment for acquisitions of subsidiaries	(373,890)	(1,491,450)
New advances to third party	–	(350,000)
Other cash flows arising from investing activities	271,020	(80,545)
<b>Net cash used in investing activities</b>	<b>(3,502,800)</b>	<b>(6,008,821)</b>

The notes on pages 103 to 136 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 2023 – unaudited

(Expressed in Renminbi Yuan)

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Financing activities</b>		
Capital element and interest element of lease rentals paid	(12,823)	(20,495)
Proceeds from new bank loans and other borrowings	9,179,892	12,441,779
Repayments of bank loans and other borrowings	(4,385,474)	(2,141,058)
Dividends paid to equity shareholders of the Company	(7,821,474)	(12,610,413)
Dividends paid to non-controlling interests of subsidiaries	(147,704)	(374,772)
Capital contribution from non-controlling interests	129,437	430,566
Payment for acquisition of companies under common control	–	(53,383)
Repayment to former shareholder of subsidiaries related to business combination	(70,910)	(405,571)
Other cash flow used in financing activities	(32,400)	(90,181)
<b>Net cash used in financing activities</b>	<b>(3,161,456)</b>	<b>(2,823,528)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,058,787)</b>	<b>(4,502,086)</b>
<b>Effect of foreign exchange rate changes</b>	<b>74,876</b>	<b>94,687</b>
<b>Cash and cash equivalents at 1 January</b>	<b>16,158,423</b>	<b>17,397,537</b>
<b>Cash and cash equivalents at 30 June</b>	<b>14,174,512</b>	<b>12,990,138</b>

The notes on pages 103 to 136 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 2023.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2022 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2023 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 2022 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 2022 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 2022 are available from the Company’s registered office. The independent auditors have expressed an unqualified opinion on those financial statements in their report dated 27 March 2023.

#### 2 CHANGES IN ACCOUNTING POLICIES

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

- IFRS 17, *Insurance contracts*
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates*
- Amendments to IAS 12, *Income taxes: Deferred tax related to assets and liabilities arising from a single transaction*
- Amendments to IAS 12, *Income taxes: International tax reform – Pillar Two model rules*

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



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 3 BUSINESS COMBINATION

##### Business combination not under common control

During the six months ended 30 June 2023, the Group entered into a share purchase agreement to acquire the entire equity interest in the below subsidiary from a third party. Details of the acquired subsidiary after the acquisition are as follows:

<b>Name of the Company</b>	<b>Voting rights/ effective equity interests</b>	<b>Date of acquisition</b>	<b>Principal activities</b>
Shaodong Panshi Concrete Co., Ltd. ("Shaodong Panshi") 邵東市磐石混凝土有限公司	100%	12 January 2023	Manufacture and sale of concrete

Summary of net assets of the acquisitions and the goodwill arising at the acquisition date are as follows:

Identifiable assets acquired and liabilities assumed at the acquisition date:

	<b>Shaodong Panshi RMB'000</b>
Property, plant and equipment	50,927
Inventories	65
Cash and cash equivalents	156
Trade payables and other liabilities	(37,169)
<b>Fair value of identifiable net assets</b>	<b>13,979</b>

Goodwill has been recognised as a result of the acquisitions as follows:

	<b>Shaodong Panshi RMB'000</b>
Total cash consideration	14,052
Fair value of net identifiable assets	(13,979)
<b>Goodwill</b>	<b>73</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. None of the goodwill recognised is expected to be deductible for tax purposes.

From the date of acquisition to 30 June 2023, Shaodong Panshi contributed revenue of RMB12,108,000 and net loss of RMB574,000.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 4 REVENUE AND SEGMENT REPORTING

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

##### (a) Disaggregation of revenue

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
<b>Revenue from contracts with customers within the scope of IFRS 15</b>		
Disaggregated by major products or service lines		
– Sales and trading of clinker and cement products	43,721,022	47,052,551
– Sales and trading of other materials	19,646,105	7,919,513
– Service income	2,069,180	1,303,685
	<b>65,436,307</b>	<b>56,275,749</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 2023

	Cement and cement related						Solid and hazardous waste		Total	
	Eastern China	Central China	Southern China	Western China	Overseas	Elimination	Subtotal	treatment		Elimination
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Disaggregated by type of business</b>										
Sales and trading of clinker and cement products	13,030,589	12,860,039	8,014,020	7,633,655	2,182,719	-	43,721,022	-	-	43,721,022
Sales and trading of other materials	7,090,887	5,647,954	1,549,315	5,135,902	222,047	-	19,646,105	-	-	19,646,105
Service income	86,605	989,477	4,325	7,682	10,307	-	1,098,396	970,784	-	2,069,180
<b>Revenue from external customers</b>	<b>20,208,081</b>	<b>19,497,470</b>	<b>9,567,660</b>	<b>12,777,239</b>	<b>2,415,073</b>	<b>-</b>	<b>64,465,523</b>	<b>970,784</b>	<b>-</b>	<b>65,436,307</b>
<b>Disaggregated by timing of revenue recognition</b>										
Point in time	20,204,787	19,461,830	9,567,281	12,776,127	2,404,765	-	64,414,790	-	-	64,414,790
Over time	3,294	35,640	379	1,112	10,308	-	50,733	970,784	-	1,021,517
<b>Revenue from external customers</b>	<b>20,208,081</b>	<b>19,497,470</b>	<b>9,567,660</b>	<b>12,777,239</b>	<b>2,415,073</b>	<b>-</b>	<b>64,465,523</b>	<b>970,784</b>	<b>-</b>	<b>65,436,307</b>
Inter-segment revenue	2,453,158	16,204,006	153,777	836,512	53,802	(19,658,820)	42,435	-	(42,435)	-
<b>Reportable segment revenue</b>	<b>22,661,239</b>	<b>35,701,476</b>	<b>9,721,437</b>	<b>13,613,751</b>	<b>2,468,875</b>	<b>(19,658,820)</b>	<b>64,507,958</b>	<b>970,784</b>	<b>(42,435)</b>	<b>65,436,307</b>
<b>Reportable segment profit (profit before taxation)</b>	<b>1,079,763</b>	<b>7,522,580*</b>	<b>1,013,878</b>	<b>833,804</b>	<b>531,146</b>	<b>(2,698,908)</b>	<b>8,282,263</b>	<b>221,740</b>	<b>-</b>	<b>8,504,003</b>
Interest income	8,619	1,142,626	12,628	16,650	6,098	(218,009)	968,612	2,678	-	971,290
Interest expense	(2,154)	(77,254)	(42,671)	(19,964)	(245,207)	21,310	(365,940)	(49,670)	-	(415,610)
Depreciation and amortisation for the period	(296,574)	(1,537,485)	(513,593)	(904,189)	(253,950)	34,189	(3,471,602)	(178,731)	-	(3,650,333)
<b>Reportable segment assets (including interests in associates and joint ventures)</b>	<b>16,076,900</b>	<b>178,061,249</b>	<b>32,584,238</b>	<b>31,547,931</b>	<b>18,614,341</b>	<b>(45,166,058)</b>	<b>231,718,601</b>	<b>9,464,260</b>	<b>(797)</b>	<b>241,182,064</b>
Investments in associates and joint ventures	-	3,044,247	-	3,651,064	241,462	-	6,936,773	72,119	-	7,008,892
Additions to non-current segment assets during the period	545,463	2,474,138	2,224,984	801,848	1,748,964	-	7,795,397	430,534	-	8,225,931
<b>Reportable segment liabilities</b>	<b>2,500,743</b>	<b>20,816,819</b>	<b>13,496,648</b>	<b>5,711,921</b>	<b>14,071,887</b>	<b>(15,408,103)</b>	<b>41,189,915</b>	<b>5,417,274</b>	<b>(797)</b>	<b>46,606,392</b>

\* Reportable segment profit of Central China included dividend income from subsidiaries in Eastern China, Southern China, Western China and overseas regions of RMB2,498,639,000 for the six months ended 30 June 2023.

## 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 2022

	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 and trading of clinker and cement products	14,153,760	14,144,807	8,271,773	8,703,170	1,779,041	47,052,551	-	47,052,551
Sales and trading of other materials	730,116	3,845,004	593,528	2,506,630	244,235	7,919,513	-	7,919,513
Service income	367,169	908,772	10,284	8,398	9,062	1,303,685	-	1,303,685
<b>Revenue from external customers</b>	<b>15,251,045</b>	<b>18,898,583</b>	<b>8,875,585</b>	<b>11,218,198</b>	<b>2,032,338</b>	<b>56,275,749</b>	<b>-</b>	<b>56,275,749</b>
<b>Disaggregated by timing of revenue recognition</b>								
Point in time	15,250,759	18,859,520	8,875,449	11,217,678	2,023,276	56,226,682	-	56,226,682
Over time	286	39,063	136	520	9,062	49,067	-	49,067
<b>Revenue from external customers</b>	<b>15,251,045</b>	<b>18,898,583</b>	<b>8,875,585</b>	<b>11,218,198</b>	<b>2,032,338</b>	<b>56,275,749</b>	<b>-</b>	<b>56,275,749</b>
Inter-segment revenue	2,363,752	16,210,870	120,902	661,127	99,184	19,455,835	(19,455,835)	-
<b>Reportable segment revenue</b>	<b>17,614,797</b>	<b>35,109,453</b>	<b>8,996,487</b>	<b>11,879,325</b>	<b>2,131,522</b>	<b>75,731,584</b>	<b>(19,455,835)</b>	<b>56,275,749</b>
<b>Reportable segment profit (profit before taxation)</b>								
	1,672,302	9,209,977*	1,485,036	1,354,164	402,442	14,123,921	(1,148,014)	12,975,907
Interest income	7,523	1,274,061	7,799	21,605	3,178	1,314,166	(145,329)	1,168,837
Interest expense	(12,090)	(163,893)	(64,216)	(35,956)	(99,983)	(376,138)	134,268	(241,870)
Depreciation and amortisation for the period	(251,358)	(1,283,217)	(559,533)	(883,808)	(233,251)	(3,211,167)	9,894	(3,201,273)
<b>Reportable segment assets (including interests in associates and joint ventures)</b>								
	11,605,732	185,811,536	31,280,744	25,789,584	16,300,798	270,788,394	(41,834,462)	228,953,932
Investments in associates and joint ventures	-	2,672,232	-	3,290,888	161,820	6,124,940	-	6,124,940
Additions to non-current segment assets during the period	490,906	7,073,115	7,344,151	2,900,743	539,236	18,348,151	-	18,348,151
<b>Reportable segment liabilities</b>	<b>2,901,716</b>	<b>20,208,915</b>	<b>12,200,928</b>	<b>6,495,678</b>	<b>13,339,766</b>	<b>55,147,003</b>	<b>(14,033,509)</b>	<b>41,113,494</b>

\* Reportable segment profit of Central China included dividend income from subsidiaries in Eastern China, Southern China, Western China and overseas regions of RMB1,269,680,000 for the six months ended 30 June 2022.

## 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	
	2023	2022
	RMB'000	RMB'000
<b>Revenue</b>		
Reportable segment revenue	85,137,562	75,731,584
Inter-segment revenue	(19,701,255)	(19,455,835)
<b>Consolidated revenue</b>	<b>65,436,307</b>	<b>56,275,749</b>
<b>Profit</b>		
Reportable segment profit (profit before taxation)	11,202,911	14,123,921
Inter-segment profit	(2,698,908)	(1,148,014)
Differences between CAS and IFRS*	319,038	138,632
<b>Consolidated profit before taxation</b>	<b>8,823,041</b>	<b>13,114,539</b>
<b>Assets</b>		
Reportable segment assets	286,348,919	270,788,394
Inter-segment assets	(45,166,855)	(41,834,462)
<b>Consolidated total assets</b>	<b>241,182,064</b>	<b>228,953,932</b>
<b>Liabilities</b>		
Reportable segment liabilities	62,015,292	55,147,003
Inter-segment liabilities	(15,408,900)	(14,033,509)
Difference between CAS and IFRS*	71,397	101,475
<b>Consolidated total liabilities</b>	<b>46,677,789</b>	<b>41,214,969</b>

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

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 5 OTHER INCOME

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest income on financial assets measured at amortised cost	971,290	1,168,837
Subsidy income*	545,299	822,085
Investment income on wealth management products	108,048	225,819
Net loss on disposal of property, plant and equipment	(60,466)	(38,336)
Net realised and unrealised (loss)/gain on financial assets measured at FVPL	(10,933)	27,261
Dividend income from financial assets measured at FVOCI	79,987	146,372
Net foreign exchange gain	265,929	19,054
Gain arising from bargain purchase	–	8,723
Others	18,803	(78,682)
	<b>1,917,957</b>	<b>2,301,133</b>

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

#### 6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

##### (a) Finance costs:

	Six months ended 30 June	
	2023 RMB'000	2022 RMB'000
Interest on bank loans and other borrowings	469,057	239,665
Interest on long-term payables	8,701	9,597
Interest on lease liabilities	1,842	1,966
Less: interest expense capitalised into construction-in-progress*	(63,990)	(9,358)
	<b>415,610</b>	<b>241,870</b>

\* The borrowing costs have been capitalized at rate of 2.80% – 4.90% for the six months ended 30 June 2023 (six months ended 30 June 2022: 3.10% – 3.64%).

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 6 PROFIT BEFORE TAXATION (CONTINUED)

##### (b) Staff costs:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Salaries, wages and other benefits	3,566,625	3,651,052
Contributions to defined contribution retirement plans	371,710	377,199
Annuity	200,181	167,033
	<b>4,138,516</b>	<b>4,195,284</b>

##### (c) Other items:

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Depreciation of investment property and other property, plant and equipment	3,299,937	2,931,468
Amortisation of intangible assets	350,396	269,805
Cost of inventories*	50,971,386	38,890,746

\* Cost of inventories included RMB5,022,115,000 (six months ended 30 June 2022: RMB4,420,161,000) 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	
	2023	2022
	RMB'000	RMB'000
<b>Current tax</b>		
Provision for the period	1,722,186	2,802,693
(Over)/under-provision in respect of prior year	(17,433)	14,425
<b>Deferred tax</b>	<b>1,704,753</b>	<b>2,817,118</b>
Origination of temporary differences	(8,481)	(3,043)
	<b>1,696,272</b>	<b>2,814,075</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

No provision for Hong Kong Profits Tax was made for the six months ended 30 June 2023 and 2022 as the Group did not earn any income which is subject to Hong Kong Profits Tax.

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

Subsidiaries' Name	Tax rates
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") 文山海螺水泥有限責任公司 (Note (i))	15%
Shuicheng Conch Panjiang Cement Co., Ltd. ("Shuicheng Conch") (Note(i)) 水城海螺盤江水泥有限責任公司 (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)

Subsidiaries' Name	Tax rates
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 Liukuangruian Cement Co., Ltd. ("Liukuangruian") 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%
Tengchong Tengyue Cement Co., Ltd. ("Tengchong Tengyue") 騰沖市騰越水泥有限公司 (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%
Hami Hongyi Building Material Co., Ltd. ("Hami Building Material") 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責任公司 (Note (i))	15%
Kunming Conch Cement Co., Ltd. ("Kunming Conch") 昆明海螺水泥有限公司 (Note (i))	15%
Shaanxi Tongchuan Fenghuang Building Material Co., Ltd. ("Fenghuang Building Material") 陝西銅川鳳凰建材有限公司 (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)

Subsidiaries' Name	Tax rates
Chongqing Conch Material Trading Co., Ltd. (“Chongqing Trading”) 重慶海螺物資貿易有限責任公司 (Note (i))	15%
Guizhou New Shuanglong Cement Co., Ltd. (“Guizhou New Shuanglong”) 貴州新雙龍水泥有限公司 (Note (i))	15%
Anhui Wuhu Conch Construction and Installation Engineering 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%
Zunyi Haihui New Materials Co., Ltd. (“Zunyi Haihui”) 遵義海匯新材料有限責任公司 (Note (i))	15%
Naimanqi Hongji Cement Co., Ltd. (“Hongji Cement”) 奈曼旗宏基水泥有限公司 (Note (i))	15%
Chongqing Duoqi Renewable Resources Co., Ltd. (“Chongqing Duoqi”) 重慶多吉再生資源有限公司 (Note(i))	15%
Bazhong Conch Building Material Co., Ltd. (“Bazhong Building Material”) 巴中海螺建材有限責任公司 (Note (i))	15%
Anhui Jinggong Testing and Inspection Co., Ltd. (“Jinggong Testing”) 安徽精公檢測檢驗中心有限公司 (Note(ii))	15%
Anhui Haibo Intelligent Technology Co., Ltd. (“Haibo Intelligent”) 安徽海博智能科技有限責任公司 (Note(ii))	15%
Shanghai Zhizhi Technology Co., Ltd. (“Shanghai Zhizhi”) 上海智質科技有限公司 (Note(ii))	15%
Certain subsidiaries of China Conch Environment Protection Holdings Limited (“Conch Environment Protection”) 中國海螺環保控股有限公司之部分附屬公司 (Note(i))	15%
Hainan Changjiang Conch Cement Co., Ltd. 海南昌江海螺水泥有限公司 (Note(v))	15%
Changjiang Conch Huasheng Plastic Packaging Co., Ltd. 昌江海螺華盛塑膠包裝有限公司 (Note(v))	15%

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

Notes:

- (i) Pursuant to Notice No.23 issued by the Ministry of Finance, State Administration of Taxation, National Development and Reform Commission of PRC on 23 April 2020 and relevant local tax authorities' notices, these companies are entitled to a preferential income tax rate of 15% as qualifying companies located in western areas in the PRC.
- (ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, enterprises recognized as high and new technology enterprise are entitled to a preferential income tax rate of 15%.

Conch Construction has obtained a high and new technology enterprise certification in 2015 and obtained a renewed certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from 2021 to 2023.

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

Jinggong Testing has obtained a high and new technology enterprise certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from 2021 to 2023.

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

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

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

## 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:

Subsidiaries' Name	Tax rates
Conch International Holdings (HK) Limited. ("Conch International"), a subsidiary in Hong Kong	16.5%
Luangprabang Conch Cement Co., Ltd. ("Luangprabang Conch"), a subsidiary in Laos	35%
Vientian Conch Cement CO.,Ltd.("Vientian Conch"), a subsidiary in Laos	35%
Conch Cement Volga Limited Liability Company ("Volga Conch"), a subsidiary in Russia	20%
Conch KT Cement (Phnom Penh) Company Limited ("Phnom Penh Conch"), a subsidiary in Cambodia	20%
PT Conch Cement Indonesia ("Indonesia Conch"), a subsidiary in Indonesia	22%
PT Conch South Kalimantan Cement ("Indonesia South Conch"), a subsidiary in Indonesia	22%
PT Conch International Trade Indonesia ("Indonesia International Trade Conch"), a subsidiary in Indonesia	22%
PT Conch Maros South Sulawesi Mine ("South Sulawesi Conch"), a subsidiary in Indonesia	22%
PT Conch Maros Cement Indonesia ("Maros Conch"), a subsidiary in Indonesia	22%
PT Conch Barru Cement Indonesia ("Barru Conch"), a subsidiary in Indonesia	22%
PT Conch North Sulawesi Cement ("North Sulawesi Conch"), a subsidiary in Indonesia	22%
PT Conch West Kalimantan Trade Cement ("West Kalimantan Conch"), a subsidiary in Indonesia	22%
Tonga Conch Mining Co., Ltd. ("Tonga Mining"), a subsidiary in Indonesia	22%
Beisu Conch Mining Co., Ltd. ("Beisu Mining"), a subsidiary in Indonesia	22%
Battambang Conch Cement Company Limited ("Battambang Conch"), a subsidiary in Cambodia (note (i))	–
Qarshi Conch Cement Limited Liability Company ("Qarshi Conch"), a subsidiary in Uzbekistan	15%
Tashkent Conch Cement Joint Venture Co., Ltd. ("Tashkent Conch"), a subsidiary in Uzbekistan	15%
Shangfeng Bridge of Friendship Co., Ltd., a subsidiary in Uzbekistan	15%
Conch Environment Protection, a subsidiary in Cayman Islands and its subsidiaries in Cayman Islands and British Virgin Islands ("BVI") (note (ii))	–
Subsidiaries of Conch Environment Protection in Hong Kong	16.5%

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 7 INCOME TAX (CONTINUED)

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.
- (ii) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, these subsidiaries are not subject to any income tax in the Cayman Islands and the British Virgin Islands.

#### 8 EARNINGS PER SHARE

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

The calculation of basic earnings per share for the six months ended 30 June 2023 is based on the profit attributable to equity shareholders of the Company of RMB6,755,607,000 (six months ended 30 June 2022: RMB9,970,554,000) and the weighted average number of shares in issue during the six months ended 30 June 2023 of 5,299,303,000 shares (six months ended 30 June 2022: 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 2023 and 2022, therefore, diluted earnings per share is the same as the basic earnings per share.

#### 9 INVESTMENT PROPERTIES AND LONG-TERM PREPAYMENTS

##### (a) Investment properties

During the six months ended 30 June 2023, the Group did not newly lease out any properties (six months ended 30 June 2022: Nil) under operating lease.

During the six months ended 30 June 2023, the Group terminated two leased property agreements with carrying value of RMB14,953,000 (six months ended 30 June 2022: RMB Nil) under operating lease and classified the properties as property, plant and equipment accordingly.

The rental income earned by the Group from its investment properties during the six months ended 30 June 2023 and 2022 was immaterial.

##### (b) Long-term prepayments

During the six months ended 30 June 2023, the addition of long-term prepayments are mainly attributed to the prepayments for acquisition of limestone mining rights and machinery.

## 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

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

During the six months ended 30 June 2023, the Group entered into a number of lease agreements for use of land, office buildings, and therefore recognised additions of right-of-use assets of RMB123,923,000 (six months ended 30 June 2022: RMB262,476,000).

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

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with a cost of RMB6,803,165,000 (six months ended 30 June 2022: RMB7,963,129,000).

Items of property, plant and equipment with a carrying amount of RMB224,949,000 were disposed of during the six months ended 30 June 2023 (six months ended 30 June 2022: RMB126,646,000), resulting in a net loss on disposal of RMB60,466,000 (six months ended 30 June 2022: a net loss on disposal of RMB42,158,000).

#### 11 LOANS AND RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Loans and receivables	582,292	596,846
Less: current portion of non-current loans and receivables (note 16)	(294,279)	(304,189)
	<b>288,013</b>	<b>292,657</b>

As at 30 June 2023, loans and receivables of the Group mainly represent advances made to local government authorities and loans to related parties.

## 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 2023 RMB'000	At 31 December 2022 RMB'000
<b>Financial assets measured at FVOCI (non-recycling)</b>			
– Listed equity securities (Non- trading purpose)	(i)	1,587,941	2,253,410
– Unlisted equity investment (Non- trading purpose)	(ii)	71,776	71,776
		<b>1,659,717</b>	<b>2,325,186</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”), China Conch Venture Holdings Limited and Huaxin Cement Co., Ltd. which are listed on Hong Kong Stock Exchanges (“HKEX”). The fair values of these investments are measured with reference to the respective quoted market prices as at 30 June 2023 and 31 December 2022.

Note (ii): As at 30 June 2023, the fair value of the unlisted equity investment is approximately the same as its cost.

#### 13 FINANCIAL ASSETS MEASURED AT FVPL

	Note	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Current Financial assets measured at FVPL</b>			
Wealth management products	(i)	–	1,528,070
Structured deposits	(i)	2,062,685	8,056,303
Listed equity securities at FVPL	(ii)	1,074,167	1,170,548
		<b>3,136,852</b>	<b>10,754,921</b>
<b>Non-current Financial assets measured at FVPL</b>			
Wealth management products	(i)	1,030,400	1,001,300
		<b>1,030,400</b>	<b>1,001,300</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 13 FINANCIAL ASSETS MEASURED AT FVPL (CONTINUED)

Note (i): As at 30 June 2023, the balance represents investments in short-term wealth management products, long-term wealth management products and structured deposits. The principal amounts of these products are RMB3,000,000,000 (2022: RMB10,400,000,000) in total, and they bear interests at floating rates. They were classified as financial assets at FVPL at 30 June 2023 as their contractual cash flows are not solely payments of principal and interest.

Note (ii): Financial assets measured at FVPL – listed equity securities held by the Group are shares in Gansu Shangfeng Cement Co., Ltd., Jilin Yatai (Group) Co., Ltd. and Xinjiang Tianshan Cement Co., Ltd. which are listed on the SSE. These listed equity securities are held for trading purpose. The fair values of these investments are measured with reference to the respective quoted market prices as at 30 June 2023.

#### 14 INVENTORIES

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Raw materials	4,789,809	4,342,519
Work in progress	272,115	353,020
Finished goods	4,850,737	6,259,245
Spare parts	828,659	724,210
	<b>10,741,320</b>	11,678,994

(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 2023 RMB'000	2022 RMB'000
Carrying amount of inventories sold	50,971,386	38,890,746

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



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 15 TRADE AND BILLS RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade debtors	4,562,187	5,678,753
Less: Credit loss allowance	(103,365)	(74,935)
	4,458,822	5,603,818
Bank acceptance notes receivable, carried at amortised cost	10,233,912	8,571,864
Finance company acceptance notes receivable, carried at amortised cost	17,075	–
Commercial acceptance notes receivable, carried at amortised cost	24,581	19,929
Bank acceptance notes receivable, carried at FVOCI	2,626,896	2,762,318
	17,361,286	16,957,929

#### (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 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year	4,328,847	5,465,311
1 to 2 years	129,975	138,507
	4,458,822	5,603,818

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.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 15 TRADE AND BILLS RECEIVABLES (CONTINUED)

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

As at 30 June 2023, the Group endorsed the undue bank acceptance notes receivable of RMB3,365,988,000 (2022: RMB5,202,801,000) 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 2023, the maximum exposure to loss from its continuous involvement represents the amounts of bank acceptance notes receivable of RMB3,365,988,000 (2022: RMB5,202,801,000), 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 2023, undue bills receivable of RMB711,185,000 (2022: RMB837,722,000) endorsed to its suppliers to settle the trade payables were not derecognised because management believed that the credit risks of ownership had not substantially transferred. All these undue bank acceptance notes receivable were due within 1 year.

As at 30 June 2023, undue bills receivable of RMB2,630,659,000 (2022: RMB1,988,195,000) discounted to banks were not derecognised because management believed that the credit risks of ownership had not substantially transferred. The short-term bank loan was recognised accordingly. All these undue bank acceptance notes receivable were due within 1 year.

##### (c) Bank acceptance notes receivable, carried at FVOCI

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 RMB2,626,896,000 (2022: RMB2,762,318,000) as bank acceptance notes receivable carried at FVOCI.

#### 16 PREPAYMENTS AND OTHER RECEIVABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Purchase prepayments	2,226,061	2,904,818
Current portion of loans and receivables (note 11)	294,279	304,189
Value-added tax recoverable and other tax prepayment	1,018,896	1,211,930
Other receivables	3,184,083	3,453,549
	<b>6,723,319</b>	<b>7,874,486</b>

All of the prepayments and other receivables are expected to be recovered within one year.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 17 CASH AND CASH EQUIVALENTS

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Cash at bank and on hand	14,169,926	16,157,918
Other cash and cash equivalents	4,586	505
Cash and cash equivalents in the consolidated statement of financial position and cash flow statement	<b>14,174,512</b>	16,158,423

#### 18 TRADE AND BILLS PAYABLES

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Trade payables	4,847,356	6,448,179
Bills payables	131,793	211,695
	<b>4,979,149</b>	6,659,874

##### (a) Ageing analysis

The following ageing analysis of trade payables are based on invoice date as of the statement of financial position date:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year (inclusive)	4,979,149	6,659,874
	<b>4,979,149</b>	6,659,874

Bills payables are due within 1 year from the date of issuance.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 19 BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings are as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
<b>Current bank loans and other borrowings</b>		
Bank loans		
– unsecured	9,661,608	10,268,032
– secured	125,276	44,314
– bills discounted	2,616,315	1,988,195
	<b>12,403,199</b>	<b>12,300,541</b>
<b>Non-current bank loans and other borrowings</b>		
Bank loans		
– unsecured	9,529,025	8,584,119
– secured	1,805,978	1,104,532
	<b>11,335,003</b>	<b>9,688,651</b>

At 30 June 2023 and 31 December 2022, the bank loans and other borrowings were repayable as follows:

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Within 1 year or on demand	12,403,199	12,300,541
After 1 year but within 2 years	1,629,795	2,158,813
After 2 years but within 5 years	8,206,656	6,400,622
After 5 years	1,498,552	1,129,216
Total non-current bank loans	11,335,003	9,688,651
	<b>23,738,202</b>	<b>21,989,192</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 20 CAPITAL, RESERVES AND DIVIDENDS

##### (a) Dividends

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB1.48 per share (six months ended 30 June 2022: RMB2.38 per share)	7,842,968	12,612,340

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

##### (b) 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 2023, the Group's strategy, which was unchanged from 2022, 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)

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

##### (b) 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	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Current liabilities:			
Bank loans and other borrowings	19	12,403,199	12,300,541
Lease liabilities		24,139	24,869
Current portion of long-term payables		62,222	65,013
Non-current liabilities:			
Bank loans and other borrowings	19	11,335,003	9,688,651
Lease liabilities		47,074	56,049
Long-term payables		277,865	311,033
Total debt		24,149,502	22,446,156
Add: Proposed dividends		–	7,842,968
Less: Cash and cash equivalents	17	(14,174,512)	(16,158,423)
<b>Adjusted net debt</b>		<b>9,974,990</b>	<b>14,130,701</b>
Total equity attributable to equity shareholders of the Company		181,820,407	183,562,632
Less: Proposed dividends		–	(7,842,968)
<b>Adjusted capital</b>		<b>181,820,407</b>	<b>175,719,664</b>
<b>Adjusted net debt-to-capital ratio</b>		<b>5.49%</b>	<b>8.04%</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 21 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 2023 categorised into			
	Fair value at 30 June 2023 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:				
– Structured deposits	2,062,685	–	2,062,685	–
– Wealth management products	1,030,400	–	1,030,400	–
– Listed equity securities	1,074,167	1,074,167	–	–
Financial assets measured at FVOCI:				
– Listed equity securities	1,587,941	1,587,941	–	–
– Unlisted equity securities	71,776	–	–	71,776
– Bank acceptance notes	2,626,896	–	2,626,896	–
	<b>8,453,865</b>	<b>2,662,108</b>	<b>5,719,981</b>	<b>71,776</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 21 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 2022 categorised into			
	Fair value at 31 December 2022 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:				
- Structured deposits	8,056,303	-	8,056,303	-
- Wealth management products	2,529,370	-	2,529,370	-
- Listed equity securities	1,170,548	1,170,548	-	-
Financial assets measured at FVOCI:				
- Listed equity securities	2,253,410	2,253,410	-	-
- Unlisted equity securities	71,776	-	-	71,776
- Bank acceptance notes	2,762,318	-	2,762,318	-
	16,843,725	3,423,958	13,347,991	71,776

During the six months ended 30 June 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2022: Nil).

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

For wealth management products issued by banks that are measured at FVPL, the fair value is determined by net value of the products on the balance sheet date that published by commercial banks.

For structured deposits issued by banks that are measured at FVPL, the fair value is determined by calculating based on the discounted cash flow method.

For bank acceptance notes that are measured at FVOCI, 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)

#### 21 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 2023 and 31 December 2022.

#### 22 COMMITMENTS

Capital commitments outstanding at 30 June 2023 not provided for in the interim financial report

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Contracted for	11,511,390	11,301,286
Authorised but not contracted for	7,602,648	7,254,772
	<b>19,114,038</b>	18,556,058

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 23 MATERIAL RELATED PARTY TRANSACTIONS

##### (a) Related parties information

<b>Name of related party</b>	<b>Nature of relationship</b>
Anhui Conch Holdings Company Limited ("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
Conch (Anhui) Energy Saving and Environment Protection New Material Co., Ltd. and its subsidiaries 海螺(安徽)節能環保新材料股份有限公司及其附屬公司 (formerly known as Wuhu Conch Profiles and Science Co., Ltd.) (前稱蕪湖海螺型材科技股份有限公司)	Subsidiary of Conch Holdings
Wuhu Conch International Hotel Co., Ltd. ("WH Conch Hotel") 蕪湖海螺國際大酒店有限公司	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
Anhui Conch Material Technology Company Limited and its subsidiaries 安徽海螺材料科技股份有限公司及其附屬公司 (formerly known as Anhui Conch New Materials Technology Company Limited) (前稱安徽海螺新材料科技有限公司)	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 Conch Science and Technology Innovation Materials Co., Ltd. ("Conch Science and Technology Innovation Materials") 安徽海螺科創材料有限責任公司 (formerly known as Anhui Conch Investment Company Limited) (前稱安徽海螺投資有限責任公司)	Subsidiary of Conch Holdings

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

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

##### (a) Related parties information (continued)

<b>Name of related party</b>	<b>Nature of relationship</b>
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
China Conch Environment Protection Holdings Co., Ltd. (“Conch Environment Protection and its subsidiaries”) (note(i)) 中國海螺環保控股有限公司及其附屬公司	Former subsidiary of China Conch Venture
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
Haichuang International Holdings (Hongkong) Limited (“Haichuang HK”) 海創國際控股（香港）有限公司	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
Anhui Conch Venture Green Energy and its subsidiaries (“Anhui Conch Venture Green Energy”) 安徽海創綠能環保集團股份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

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

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

##### (a) Related parties information (continued)

<b>Name of related party</b>	<b>Nature of relationship</b>
Electric Conch Clean Energy Co., Ltd. ("Clean Energy") 國家電投安徽海螺清潔能源有限公司	Joint venture of the Company
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
Sino-Myanmar International Trading Co., Ltd. ("Sino-Myanmar International") 中緬（蕪湖）國際貿易有限公司	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
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 蘇魯特索隆礦山有限公司	Joint venture of the Company
Huaibei Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北相山水泥有限責任公司	Joint venture of the Company
Wuhu Conch Wind Power Energy Technology 蕪湖海螺風電能源科技有限公司	Joint venture of the Company
Wuhu Fanchang Haixin Wind Power Energy Technology 蕪湖市繁昌區海鑫風電能源科技有限公司	Joint venture of the Company
West China Cement Limited ("West Cement") 中國西部水泥有限公司	Associate of the Company

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

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

##### (a) Related parties information (continued)

<b>Name of related party</b>	<b>Nature of relationship</b>
China National Building Materials (Anhui) New Materials Industry Investment Fund partnership (Limited partnership) (“CNBM Investment Fund”) 中建材（安徽）新材料產業投資基金合夥企業（有限合夥）	Associate of the Company
Anhui Conch Haitong Industrial Internet Master Fund Partnership (Limited Partnership) 安徽海螺海通工業互聯網母基金合夥企業（有限合夥）	Associate of the Company
Xinji Mingguang New Energy Co., Ltd. 新集明光市新能源有限公司	Associate of the Company
China National Building Materials (Anhui) New Materials Fund Management Co., Ltd. (“CNBM Management”) 中建材（安徽）新材料基金管理有限公司	Associate of the Company
Chengli Construction Material Co., Ltd. (“Chengli Construction Material”) 建德市成利建材有限公司	Entrusted management company of the Company
Note (i)	On 30 March 2022, China Conch Venture completed the spin-off through a distribution in specie and separately listed the of shares of Conch Environment Protection on HKEX by way of introduction. Conch Environment Protection and its subsidiaries are no longer subsidiaries of China Conch Venture, and the Group no longer recognized them as the Group’s related parties since then.

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 23 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	
	2023	2022
	RMB'000	RMB'000
Receiving services and purchase of goods	24,772	14,398
Interest expense on lease liabilities	–	88
Provision of services and sales of goods	5,598	9,160

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Sales of goods	229,046	201,732
Sales of assets	–	5,778
Provision of services	77,962	51,214
Purchase of property, plant and equipment	636,048	521,893
Purchase of raw materials	1,216,096	843,733
Purchase of subsidiaries	–	53,383
Interest expense on lease liabilities	14	486
Receiving services	264,666	325,212
Interest income on loans	68	475

As at 30 June 2023, no bank loans amounting were guaranteed by Conch Science and Technology Innovation Materials, the subsidiary of substantial shareholder of the Company (2022: RMB64,610,000).

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

	At 30 June	At 31 December
	2023	2022
	RMB'000	RMB'000
Papua Cement	884,736	852,737
	884,736	852,737

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

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

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

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

	Six months ended 30 June	
	2023	2022
	RMB'000	RMB'000
Short-term employee benefits	2,972	3,321
Post-employment benefits	285	259
	<b>3,257</b>	<b>3,580</b>

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

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

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

	At 30 June	At 31 December
	2023	2022
	RMB'000	RMB'000
Papua Cement	53,402	49,206
Conch Kawasaki Equipment	226,401	261,245
Conch Design Institute	42,579	38,429
CK Equipment	35,428	6,706
Myanmar Conch	70,247	68,211
Anhui Conch Venture Green Energy and its subsidiaries	20,562	12,528
CK Engineering and its subsidiaries	58,555	58,441
Xiangshan Cement	52,497	76,579
Chengli Construction Material	–	3,999
PT Eternal Richway	46,197	38,784
Other related parties	29,924	49,498
	<b>635,792</b>	<b>663,626</b>

## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

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

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

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

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

	At 30 June 2023 (Note i) RMB'000	At 31 December 2022 (Note i) RMB'000
WH Conch Hotel	494	735
	<b>494</b>	<b>735</b>

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

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

	At 30 June 2023 RMB'000	At 31 December 2022 RMB'000
Conch Kawasaki Equipment	219,614	48,250
CK Equipment	30,277	36,565
Papua Cement	4,166	27,372
Conch IT Engineering and its subsidiaries	57,703	48,077
CK Engineering and its subsidiaries	88,603	153,052
Conch Design Institute	135,793	107,330
Other related parties	325,340	480,963
	<b>861,496</b>	<b>901,609</b>



## 10. Financial Accounting Report (Unaudited)

### Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

#### 24 CONTINGENT LIABILITIES

At 30 June 2023, outstanding letters of credit issued by the Group amounted to RMB167,376,000 (2022: RMB162,421,000).

At 30 June 2023, the Group issued guarantees in relation to banking facilities to its related party, Papua Cement amounting to USD122,441,000, equivalent to RMB884,736,000 (2022: USD122,438,000, equivalent to RMB852,737,000). These facilities were utilised to the extent of RMB884,736,000 as at 30 June 2023 (2022: RMB852,737,000).

**Anhui Conch Cement Company Limited**

**Yang Jun**

*Chairman*

21 August 2023