

Changes in Share Capital and Shareholdings of Substantial Shareholders

(I) There was no change to the number of shares and the structure of share capital of the Company during the Reporting Period.

(II) The total number of shareholders and shareholdings of the top 10 registered shareholders and top 10 holders of floating Shares as at the end of the Reporting Period

1. As at 30 June 2006, the Company had a total of 7,612 registered shareholders, 64 of which were holders of H Shares.

Name of shareholder	Classification of shareholder	Number of shares held at end of Reporting Period (shares)	Percentage of Shareholdings (%)	Class of Shares	Selling restrictions
1. Anhui Conch Holdings Company Limited	State-owned shareholder	622,480,000	49.57	A Shares	Yes
2. HKSCC Nominees Limited	Foreign shareholder	417,507,997	33.25	H Shares	No
3. Fenghe Value Securities Investment Fund	Others	25,551,817	2.03	A Shares	No
4. TCC International Limited	Foreign shareholder	15,000,000	1.19	H Shares	No
5. Industrial and Commercial Bank of China — Guangfa Strategic Aborative-select Composite Securities Investment Fund	Others	9,283,762	0.74	A Shares	No
6. Taihe Securities Investment Fund	Others	9,243,835	0.74	A Shares	No
7. China Construction Bank — Bank of Communications & Schroders — Stable, Deploying Composite Securities Investment Fund	Others	8,631,074	0.69	A Shares	No
8. Jingfu Securities Investment Fund	Others	8,088,453	0.64	A Shares	No
9. Shenyin Wanguo — Citibank — UBS Limited	Others	7,384,980	0.59	A Shares	No
10. Industrial and Commercial Bank of China — Guangfa Rich-accumulating Open Securities Investment Fund	Others	6,593,700	0.53	A Shares	No
11. International Financial — Standard Chartered Bank — Citigroup Global Markets Limited	Others	6,204,545	0.49	A Shares	No

Notes:

(1) Of the shareholders set out above, the 622,480,000 shares held by Conch Holdings accounted for 49.57% of the total share capital of the Company.

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On 28 February 2006, Conch Holdings pledged 64,400,000 shares (approximately 5.1% of the total share capital of the Company) out of the 622,480,000 State-owned shares held by it to Chengnan Sub-branch, Nanjing City of Minsheng Bank as security for its loan for a term of one year. Such share pledge has been registered with the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited.

Save as disclosed above, during the Reporting Period, there has been no change to the number of shares nor any pledge or moratorium of shares in the Company held by Conch Holdings. The Company is not aware of any pledge or moratorium of the floating shares during the Reporting Period.

Moreover, pursuant to the Share Segregation Reform Proposal approved by the relevant general meeting held on 20 February 2006, and implemented on 2 March 2006, Conch Holdings obtained the listing right for the Non-floating Shares of Conch Cement held by Conch Holdings by the payment of a consideration of RMB15.00 for every 10 floating A shares held by floating A share holders. Conch Holdings undertook not to trade or transfer its Non-floating Shares during the 12 months from the date on which its Non-floating Shares were granted the right to list (2 March 2006). After the expiration of such undertaking, the number of Conch Cement shares to be sold through trading on the Shanghai Stock Exchange shall not exceed 5% and 10% of the Conch Cement's total issued shares during the period of 12 months and 24 months respectively. In addition, Conch Holdings also undertook that, if the average closing price of A Shares (calculated by way of arithmetic mean) during the first 30 trading days after the sixth month from the date of approval by the relevant general meeting of A Shares and implementation of the Share Segregation Reform Proposal was lower than RMB11.00, Conch Holdings would pay to all the Holders of floating A Shares whose names appear on the register of members of the Company on the Record Date a cash subsidy equivalent to 50% of the difference provided that the amount will not exceed RMB3.65 for every 10 floating A Shares.

Name of shareholders with selling restrictions	Number of shares with selling restrictions	Date available for trading	Conditions for trading of shares with selling restrictions	
			Number of additional shares available for trading	Selling restrictions
Conch Holdings	622,480,000	1 March 2007	Not more than 31,124,000 shares after expiry of 12 months from 1 March 2007; not more than 62,248,000 shares after expiry of 24 months from 1 March 2007	If the average closing price of A Shares (calculated by way of arithmetic mean) during the first 30 trading days after the sixth month from the date of approval by the relevant general meeting of A Shares and implementation of the Share Segregation Reform Proposal was lower than RMB11.00, Conch Holdings would pay to all the Holders of floating A Shares whose names appear on the register of members of the Company on the Record Date a cash subsidy equivalent to 50% of the difference provided that the amount will not exceed RMB3.65 for every 10 floating A Shares.

- (2) HKSCC Nominees Limited held 417,507,997 H Shares, representing 33.25% of the total share capital of the Company, and 96.38% of the issued H Share capital of the Company, on behalf of its various clients.

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- (3) So far as the Board is aware, the holder of State-owned shares is not connected to or is a party acting in concert with other shareholders above.
- (4) As at 30 June 2006, the following persons (other than the Directors or chief executive of the Company) hold interests or short positions in the shares and underlying shares of the Company which are required to be entered in the register kept by the Company under section 336 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong):

Name of shareholder	Number of ordinary shares held	Capacity	As a % of that class of shares
Anhui Conch Holdings Company Limited	622,480,000 A Shares (long position) (Note 1)	Beneficial owner	75.68% (Note 2)
Anhui Provincial Investment Group Limited	622,480,000 A Shares (long position) (Note 1)	Interests of controlled corporation	75.68% (Note 2)
Anhui Conch Venture Investment Company Limited	622,480,000 A Shares (long position) (Note 1)	Interests of controlled corporation	75.68% (Note 2)
Morgan Stanley Private Equity Asia, Inc.	133,200,000 A Shares (long position) (Note 3)	Interests of controlled corporation	16.05% (Note 2)
Morgan Stanley Private Equity Asia, LLC	133,200,000 A Shares (long position) (Note 3)	Interests of controlled corporation	16.05% (Note 2)
Morgan Stanley Private Equity Asia, L.P.	133,200,000 A Shares (long position) (Note 3)	Interests of controlled corporation	16.05% (Note 2)
MS Asia Pacific Holdings Limited	133,200,000 A Shares (long position) (Note 3)	Interests of controlled corporation	16.05% (Note 2)
MS Asia Pacific Investment Limited	133,200,000 A Shares (long position) (Note 3)	Interests of controlled corporation	16.05% (Note 2)
MS Asia Investment Limited	133,200,000 A Shares (long position) (Note 3)	Others	16.05% (Note 2)
International Finance Corporation	46,800,000 A Shares (Note 4)	Others	5.84% (Note 2)
JPMorgan Chase & Co.	860,000 H Shares (long position)	Beneficial owner	0.20% (Note 5)
JPMorgan Chase & Co.	49,544,000 H Shares (long position) (Note 6)	Investment manager	11.44% (Note 5)
JPMorgan Chase & Co.	40,235,000 H Shares (long position) (Note 6)	Interests of controlled corporation	9.29% (Note 5)
Templeton Asset Management Limited	36,038,000 H Shares (long position)	Investment manager	8.32% (Note 5)
Fidelity International Limited	26,058,000 H Shares (long position)	Investment manager	6.02% (Note 5)
The Capital Group Companies, Inc.	74,904,000 H Shares (long position) (Note 7)	Investment manager	17.29% (Note 5)
T. Rowe Price Associates, Inc. and its affiliates	26,952,000 H Shares (long position)	Investment manager	6.22% (Note 5)
UBS AG	10,890,500 H Shares (long position)	Beneficial owner	2.51% (Note 5)
	5,186,500 H Shares (short position)		1.20% (Note 5)

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Name of shareholder	Number of ordinary shares held	Capacity	As a % of that class of shares
UBS AG	6,115,000 H Shares (short position) <i>(Note 8)</i>	Owner of guaranteed interests in the shares	1.41% <i>(Note 5)</i>
UBS AG	8,824,000 H Shares (long position)	Interests of controlled corporation	2.04% <i>(Note 5)</i>
	7,130,000 H Shares (short position) <i>(Note 8)</i>		1.65% <i>(Note 5)</i>

Notes:

- (1) These 622,480,000 A Shares are held in the name of Conch Holdings and in its capacity as the beneficial owner. The registered capital of Conch Holdings is RMB800 million, of which as to RMB408 million is attributable to Anhui Provincial Investment Group Limited (“Investment Group”) (representing 51% of the equity interests in Conch Holdings); and as to RMB392 million is attributable to Anhui Conch Venture Investment Company Limited (“Haichuang”) (representing 49% of the equity interests in Conch Holdings). Pursuant to the SFO (Chapter 571 of the Laws of Hong Kong), both Investment Group and Haichuang are deemed to own the entire interests in the shares of the Company held by Conch Holdings.

On 28 December 2005, Conch Holdings executed an agreement with strategic investors MS Asia Investment Limited (a subsidiary of Morgan Stanley, hereinafter referred to as “MS”) and International Finance Corporation (a member of the World Bank Group, hereinafter referred to as “IFC”) (the “Transfer Agreement”), pursuant to which it intended to transfer 132,000,000 and 48,000,000 shares to the two strategic investors, MS and IFC, respectively. On 31 March 2006, Conch Holdings, MS and IFC entered into a supplemental agreement to the Transfer Agreement (the “Supplemental Agreement”), pursuant to which, adjustments were made to the number and prices of shares to be transferred to MS and IFC, the number of shares to be transferred to MS was increased from 132,000,000 shares to 133,200,000 shares and the number of shares to be transferred to IFC was decreased from 48,000,000 shares to 46,800,000 shares. The aforesaid intended transfers represented transfers of State-owned shares to foreign investors. Pursuant to the existing requirements, such intended transfers were subject to the approval of the State-owned Assets Supervision and Administration Commission and the Ministry of Commerce.

On 30 April 2006, the Company received the “Approval regarding the relevant issue of the transfer of some of the State-owned Shares of Anhui Conch Cement Company Limited” (Guozichanquan [2006] No. 477) from the State-Owned Assets Supervision and Administration Commission, agreeing to the transfers of 133,200,000 shares and 46,800,000 shares of the Company held by Conch Holdings to MS and IFC respectively, out of its 622,480,000 shares. The above share transfers are subject to the approval of the Ministry of Commerce.

- (2) The total number of domestic shares in issue was 822,480,000, which are all A Shares.
- (3) Pursuant to the Transfer Agreement and the Supplemental Agreement, MS intended to purchase 133,200,000 A Shares. Although the share transfer under the Transfer Agreement has yet to take effect, pursuant to the SFO, MS is deemed to be interested in the 133,200,000 shares. According to the disclosure of interests form submitted on

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29 December 2005 by Morgan Stanley Private Equity Asia Inc. ("MS Inc."), Morgan Stanley Private Equity Asia, LLC ("MS LLC"), Morgan Stanley Private Equity Asia L.P. ("MSLP"), MS Asia Pacific Holdings Limited ("MSPH"), MS Asia Pacific Investment Limited ("MSPI") and MS, MS LLC was held as to 58.50% by MS Inc., MSPH and MSLP was held as to 100% and 1% respectively by MS LLC, MSPI was held as to 94.45% by MSLP, and MS was held by MSPH and MSPI as to 63.32% and 36.68% respectively. Pursuant to the SFO, MS Inc., MS LLC, MSLP, MSPH and MSPI are deemed to own the shareholding interests owned by MS.

- (4) Pursuant to the Transfer Agreement and the Supplemental Agreement, IFC intended to purchase 46,800,000 A Shares. Although the shares transfer under the Transfer Agreement has yet to take effect, pursuant to the SFO, IFC is deemed to be interested in the 46,800,000 shares. However, according to the Company's records, IFC did not submit the relevant disclosure of interests forms to the Stock Exchange and the Company.
- (5) The total number of H Shares in issue was 433,200,000.
- (6) According to the disclosure of interests form submitted on 29 June 2006 by JPMorgan Chase & Co., these shares were held through certain subsidiaries of JPMorgan Chase & Co.
- (7) According to the disclosure of interests form submitted on 25 May 2006 by The Capital Group Companies, Inc., these shares were held through certain subsidiaries of The Capital Group Companies, Inc.
- (8) According to the disclosure of interests form submitted on 10 May 2006 by UBS AG, these shares were held through certain subsidiaries of UBS AG.

Save for the aforesaid shareholders, as at 30 June 2006, the Company is not aware of any interests required to be recorded pursuant to section 336 of the SFO (Chapter 571 of the Laws of Hong Kong).

(III) Purchase, sales and redemption of listed securities

For the six months ended 30 June 2006, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.