



2024 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 members 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 eleventh 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 truthful, accurate and complete.
5. During the Reporting Period, there was no appropriation of the Company's funds for non-operating purpose by the controlling shareholders of the Company and its related parties.
6. During the Reporting Period, no external guarantee was provided in violation of the established decision-making procedures.
7. There does not exist the situation 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.

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Documents for Inspection

- (1) Copies of 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 the 2024 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 |
| Remuneration and Nomination Committee | : | the remuneration and nomination committee of the Board |
| Audit Committee | : | the audit committee of the Board |
| ESG Management Committee | : | the Environmental, Social and Governance Management Committee of the Board |
| Conch Holdings | : | Anhui Conch Holdings Company Limited |
| Conch Tech Innovation Material | : | Anhui Conch Technology Innovation Material Co., Ltd. (formerly known as Anhui Conch Investment Co., Ltd.) |
| Conch Technology | : | Anhui Conch Material Technology Co., Ltd. (formerly known as Anhui Conch New Materials Technology Co., Ltd.) |
| Conch Design Institute | : | Anhui Conch Construction Materials Design Institute Co., Ltd. |
| Conch New Material | : | Conch (Anhui) Energy Saving and Environment Protection New Material Company Limited (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 |

1. Definitions

| | | |
|---|---|---|
| Conch Accelerants Manufacturing High-tech Company | : | Anhui Conch Accelerants Manufacturing High-tech Company Limited |
| Conch Accelerants Manufacturing Group | : | Conch Accelerants Manufacturing Company and its subsidiaries |
| Conch Capital | : | Anhui Conch Capital Management Company Limited |
| Conch Venture Enterprise | : | Wuhu Conch Venture Enterprise Limited |
| Conch Venture | : | China Conch Venture Holdings Limited, a company listed on the Stock Exchange (stock code: 586) |
| Fenghuangshan Cement | : | Baoji Zhongxi Fenghuangshan Cement Co., Ltd. |
| Haihui Company | : | Anhui Haihui Supply Chain Technology Co., Ltd. |
| Haibo Intelligent | : | Anhui Haibo Intelligent Technology Co., Ltd. |
| Conch IT Engineering | : | Anhui Conch Information Technology Engineering Co., Ltd. |
| Phnom Penh Conch | : | Conch KT Cement (Phnom Penh) Company Limited |
| Mengcheng Conch | : | Mengcheng Conch Building Materials Co., Ltd. |
| Shanghai Zhizhi | : | Shanghai Zhizhi Technology Co., Ltd. |
| Tongling Conch | : | Anhui Tongling Conch Cement Co., Ltd. |
| Wuhu Conch | : | Wuhu Conch Cement Co., Ltd. |
| Conch Environment Protection | : | China Conch Environment Protection Holdings Limited, a company listed on the Stock Exchange (stock code: 587) |
| Anhui Haizhong Environmental | : | Anhui Haizhong Environmental Company Limited |
| Conch Environment Group | : | Anhui Conch Environment Protection Group Co., Ltd. |
| Wuhu Industrial Investment | : | Wuhu Industrial Investment Fund 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 | : | Tianshan Material Co., Ltd. (formerly known as 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) |
| 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 2024 to 30 June 2024 |
| 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 under Appendix C3 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 |
| CSRC | : | China Securities Regulatory Commission |
| Articles | : | the 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)** : Yu Shui
- 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 : Ernst & Young
Registered Public Interest Entity Auditor in accordance with the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
27/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong

PRC auditors : Ernst & Young Hua Ming LLP
Room 01-12, 17/F, Ernst & Young Tower, Oriental Plaza, No.1 East Chang'an Avenue, Dongcheng District, 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 2024 (RMB'000) (Unaudited) | As at 31 December 2023 (RMB'000) | | Increase or decrease as at the end of the Reporting Period as compared to that at the end of the previous year (%) |
|---|---|-------------------------------------|----------------------|---|
| | | After adjustment | Before adjustment | |
| Total assets | 243,734,511 | 246,356,360 | 246,189,200 | -1.06 |
| Net assets attributable to equity shareholders of the Company | 183,547,163 | 185,389,128 | 185,321,083 | -0.99 |

Note: During the Reporting Period, the Company is required to restate financial statements for previous year according to the relevant requirements under the PRC Accounting Standards and the International Financial Reporting Standards ("IFRSs") respectively since the acquisition of Conch IT Engineering and its subsidiary, China Carbon (Anhui) Environmental Technology Co., Ltd., was a business combination under common control (the same for below).

2. Corporate Profile and Major Financial Indicators

Table 2:

| Items | Six months ended 30 June 2024 (RMB'000) (Unaudited) | Six months ended 30 June 2023 (RMB'000) (Unaudited) | | Increase or decrease for the Reporting Period over the corresponding period of the previous year (%) |
|---|--|--|----------------------|---|
| | | After adjustment | Before adjustment | |
| Net cash flows generated from operating activities | 6,870,679 | 5,061,236 | 5,077,428 | 35.75 |
| Revenue | 45,565,622 | 65,503,714 | 65,436,307 | -30.44 |
| Net profit attributable to equity shareholders of the Company | 3,325,646 | 6,465,392 | 6,468,471 | -48.56 |
| Net profit after extraordinary items attributable to equity shareholders of the Company | 3,184,884 | 6,154,613 | 6,158,494 | -48.25 |
| Basic earnings per share (RMB/share) | 0.63 | 1.22 | 1.22 | -48.35 |
| Diluted earnings per share (RMB/share) | 0.63 | 1.22 | 1.22 | -48.35 |
| Basic earnings per share after extraordinary items (RMB/share) | 0.60 | 1.16 | 1.16 | -48.04 |
| Weighted average return on net assets (%) | 1.79 | 3.47 | 3.48 | Decreased by 1.68 percentage points |
| Weighted average return on net assets after extraordinary items (%) | 1.71 | 3.31 | 3.31 | Decreased by 1.60 percentage points |

2. Corporate Profile and Major Financial Indicators

Table 3:

| Extraordinary gains and losses items for the Reporting Period | Amount (RMB'000) (Unaudited) |
|---|---|
| (1) Gains/losses from disposal of non-current assets, including the written-off portion of the provision for impairment of assets | -4,781 |
| (2) Government subsidy (excluding government subsidy closely associated with the enterprise's normal business, granted in accordance with the State's policy and based on certain standards, and with a continuing effect on the gains and losses of the enterprise) included in the current income statement | 340,276 |
| (3) Gains/losses on changes in the fair value of financial assets and financial liabilities held by non-financial enterprises and gains and losses on disposal of financial assets and financial liabilities, excluding effective hedging business associated with the Company's normal business | -217,200 |
| (4) Gains/losses from external entrusted loans | 2,066 |
| (5) Entrusted fee income obtained from entrusted operation | 21,939 |
| (6) Other non-operating income and expenses other than the above items | 36,398 |
| (7) Effect of extraordinary items on income tax | -19,179 |
| (8) Effect of extraordinary items on minority interests (after tax) | -18,757 |
| Total | 140,762 |

2. Corporate Profile and Major Financial Indicators

(10) Financial summary prepared in accordance with the IFRSs

| Items | Six months ended 30 June 2024 (RMB'000) (Unaudited) | Six months ended 30 June 2023 (RMB'000) (Unaudited) | | Increase or decrease for the Reporting Period over the corresponding period of the previous year (%) |
|---|--|--|----------------------|---|
| | | After adjustment | Before adjustment | |
| Revenue | 45,565,622 | 65,503,714 | 65,436,307 | -30.44 |
| Net profit attributable to equity shareholders of the Company | 3,486,319 | 6,752,528 | 6,755,607 | -48.37 |
| Items | As at 30 June 2024 (RMB'000) (Unaudited) | As at 31 December 2023 (RMB'000) | | Increase or decrease as at the end of the Reporting Period as compared to that at the end of the previous year (%) |
| | | After adjustment | Before adjustment | |
| Total assets | 243,734,511 | 246,356,360 | 246,189,200 | -1.06 |
| Total liabilities | 47,580,120 | 48,393,428 | 48,278,835 | -1.68 |

2. Corporate Profile and Major Financial Indicators

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

| | Net profit attributable to equity shareholders of the Company | | Equity attributable to equity shareholders of the Company | |
|---|---|---|---|-------------------------------------|
| | Six months ended 30 June 2024 (RMB'000) (Unaudited) | Six months ended 30 June 2023 (RMB'000) (Unaudited) | As at 30 June 2024 (RMB'000) (Unaudited) | As at 31 December 2023 (RMB'000) |
| As reported in the statutory financial statements prepared in accordance with the PRC Accounting Standards | 3,325,646 | 6,465,392 | 183,547,163 | 185,389,128 |
| - Items not subject to "China Accounting Standards for Business Enterprises No.16 – Government Subsidy" and recognized on a deferred basis in accordance with IFRSs | 8,056 | 12,407 | -43,491 | -51,547 |
| - Difference arising from the implementation of "China Accounting Standards for Business Enterprises Interpretation No.3" | 152,617 | 274,729 | - | - |
| As reported in accordance with IFRSs | 3,486,319 | 6,752,528 | 183,503,672 | 185,337,581 |

3. Management Discussion and Analysis

(1) OVERVIEW OF THE CEMENT INDUSTRY

In the first half of 2024, the national economy generally operated in a stable manner and made steady progress, but the effective domestic demand was still insufficient, and the foundation for economic recovery still needed to be strengthened. The national investment in fixed assets increased by 3.9% period-on-period, the infrastructure investment increased by 5.4% period-on-period, and the real estate development investment decreased by 10.1% period-on-period. Affected by the overall continuous adjustment trend of the real estate market, insufficient construction of infrastructure projects and widespread continuous rainy weather, the demand for cement continued to be weak in the first half of the year. The national cumulative cement production was 850 million tonnes, representing a period-on-period decrease of 10% (on a comparable basis), the market competition remained fierce, which prompted the cement price to run at the bottom, the decrease in volume and low price led to a continuous decline in industry's efficiency, and the cement industry as a whole showed the operating characteristics of "shrinking demand, fierce competition, low price and operating under pressure". (Data sources: National Bureau of Statistics, Digital Cement, China 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 mode 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 focusing on direct sales and supplemented by distribution. The Group has established 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 distribution channels in the regional markets along the river and coastal areas as well as central cities with concentrated demand, 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.

During the Reporting Period, the Group continued to optimize its marketing plan domestically and overseas, push steadily for international development strategies and proactively extend the upstream and downstream industrial chain. Meanwhile, the Group boosted the mutual promotion and coordinated development of new energy industry, environmental protection industry and digital industry and steadily implemented its development strategy.

3. Management Discussion and Analysis

(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, through its continuous efforts in enhancing regional market operation, the Group boosted technological innovation, increased its devotion in safety and environmental protection, speeded up the construction of informationalized and intelligent factories and pushed forward green low-carbon development, so as to further consolidate and improve its competitive advantages, and persistently strengthen the core competitiveness of the Group.

(4) MANAGEMENT DISCUSSION AND ANALYSIS ON THE OPERATIONS

Analysis on the Operational Conditions for the First Half of 2024

1. Overview of operation development

In the first half of 2024, in the face of the complex and severe market competition environment, the Group adhered to its goal orientation, strengthened operational coordination, and strictly enforced risk management and control. The Group coordinated green development and innovation and research and development, pushed forward energy-saving and consumption-reducing technological improvements in an orderly manner. Accelerating the transformation and application of the results of intelligent construction, and actively responding to the adverse impact brought by the decline in demand and prices as well as fierce competition, the Group continued to strengthen its operational resilience.

3. Management Discussion and Analysis

During the Reporting Period, in accordance with the PRC Accounting Standards, the Group's revenue amounted to RMB45,566 million, representing a decrease of 30.44% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB3,326 million, representing a decrease of 48.56% from that for the corresponding period of the previous year; and earnings per share was RMB0.63, representing a decrease of RMB0.59 per share from that for the corresponding period of the previous year. In accordance with the IFRSs, revenue amounted to RMB45,566 million, representing a decrease of 30.44% from that for the corresponding period of the previous year; net profit attributable to equity shareholders of the Company amounted to RMB3,486 million, representing a decrease of 48.37% from that for the corresponding period of the previous year; and earnings per share was RMB0.66, representing a decrease of RMB0.61 per share from that for the corresponding period of the previous year.

The Group actively promoted innovation, accelerated the construction of new quality productivity and consolidated the competitive edge of its main business. During the Reporting Period, the Company participated and submitted the "Application and Development of Design/Preparation Technology of Anti-corrosion Cementitious Materials for High-Speed Railway and Harsh Environmental Engineering" project, and was awarded the second prize of the 2023 National Technology Improvement Award; the "Unmanned Transportation in Open-pit Cement Mine" project of Haibo Intelligent was selected as "Classic Application Case of Robots in Mining Field" by the judges from national ministries, and was selected as a classic sample application scenario of top ten intelligent networked vehicles in Anhui Province in 2024; and Shanghai Zhizhi was selected as a "specialized, sophisticated, distinctive and innovative" little giant enterprise in Shanghai.

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, encouraged mutual support and linkage between domestic and overseas operations, and integrated the development of the upstream and downstream industrial chain. As for core cement business, the domestic cement grinding project of Wuhu Conch and Mengcheng Conch were put into production and operation, overseas Andijan project in Uzbekistan was put into production and operation and the construction of Phnom Penh Conch in Cambodia was in orderly progress. As for the development of industry chain, two aggregate projects were successively put into production and five commodity concrete projects were newly added through construction and leasing in a proactive manner.

During the Reporting Period, the Group increased the production capacity in operation of clinker, cement, aggregates and commodity concrete by 2.30 million tonnes, 4.70 million tonnes, 2.00 million tonnes and 4.8 million cubic meters, respectively. As of the end of the Reporting Period, the Group's production capacity of clinker, cement, aggregates and commodity concrete amounted to 274 million tonnes, 399 million tonnes, 151 million tonnes and 44.60 million cubic meters respectively, and the capacity of photovoltaic power generation and power storage amounted to 545MW.

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) | 33,579,305 | 25,853,466 | 23.01 | -20.82 | -15.76 | Decreased by 4.62 percentage points |
| Building material industry (trading business) | 471,336 | 465,639 | 1.21 | -64.08 | -64.39 | Increased by 0.86 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 ^{Note 1} | 23,686,540 | 18,328,942 | 22.62 | -22.76 | -17.97 | Decreased by 4.52 percentage points |
| Building material industry (sale of self-produced products) -32.5 grade cement | 3,878,095 | 2,834,556 | 26.91 | -23.26 | -16.52 | Decreased by 5.91 percentage points |
| Building material industry (sale of self-produced products) -clinker | 2,645,038 | 2,467,825 | 6.70 | -34.29 | -27.02 | Decreased by 9.30 percentage points |
| Building material industry (sale of self-produced products) -aggregate and manufactured sand | 2,191,138 | 1,142,903 | 47.84 | 29.84 | 59.54 | Decreased by 9.71 percentage points |
| Building material industry (sale of self-produced products) -commodity concrete | 1,178,494 | 1,079,240 | 8.42 | 20.60 | 26.40 | Decreased by 4.20 percentage points |
| Building material industry (trading business) | 471,336 | 465,639 | 1.21 | -64.08 | -64.39 | Increased by 0.86 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 ^{Note 2} | 8,918,883 | 7,242,688 | 18.79 | -25.25 | -18.94 | Decreased by 6.32 percentage points |
| Building material industry (sale of self-produced products) -Central China ^{Note 3} | 10,099,243 | 7,752,072 | 23.24 | -26.30 | -18.44 | Decreased by 7.40 percentage points |
| Building material industry (sale of self-produced products) -South China ^{Note 4} | 6,016,279 | 4,625,051 | 23.12 | -18.90 | -11.59 | Decreased by 6.36 percentage points |
| Building material industry (sale of self-produced products) -West China ^{Note 5} | 6,028,177 | 4,651,226 | 22.84 | -14.77 | -13.96 | Decreased by 0.73 percentage point |
| Building material industry (sale of self-produced products) -Export | 216,983 | 202,342 | 6.75 | 100.69 | 137.66 | Decreased by 14.50 percentage points |
| Building material industry (sale of self-produced products) -Overseas | 2,299,740 | 1,380,087 | 39.99 | 5.72 | -9.68 | Increased by 10.23 percentage points |
| Building material industry (trading business) | 471,336 | 465,639 | 1.21 | -64.08 | -64.39 | Increased by 0.86 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 |
|---|--------------------------------|-----------------------------|----------------------------|---|--|--|
| Building material industry - Direct sale | 19,756,182 | 14,670,269 | 25.74 | -20.28 | -15.72 | Decreased by 4.01 percentage points |
| Building material industry - Distribution | 14,294,459 | 11,648,836 | 18.51 | -24.53 | -20.16 | Decreased by 4.45 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.

3. Management Discussion and Analysis

Sales by industry

During the Reporting Period, the Group's total net sales volume of cement and clinker amounted to 128 million tonnes, representing a period-on-period decrease of 4.94%. Revenue generated from principal activities amounted to RMB34,051 million, representing a period-on-period decrease of 22.12%. Operating cost amounted to RMB26,319 million, representing a period-on-period decrease of 17.75%. The consolidated gross profit margin of products recorded a period-on-period decrease of 4.10 percentage points to 22.71%.

The Group's sales volume of self-produced cement and clinker products amounted to 126 million tonnes, representing a period-on-period decrease of 3.35%. Sales revenue from self-produced products amounted to RMB33,579 million, representing a period-on-period decrease of 20.82%. Cost of sales of self-produced products amounted to RMB25,853 million, representing a period-on-period decrease of 15.76%. The consolidated gross profit margin of self-produced products recorded a period-on-period decrease of 4.62 percentage points to 23.01%.

During the Reporting Period, the Group achieved a sales volume of 1.55 million tonnes for its cement and clinker trading business, representing a period-on-period decrease of 59.38%. Revenue from trading business amounted to RMB471 million, representing a period-on-period decrease of 64.08%. Cost of trading business decreased by 64.39% period-on-period to RMB466 million.

Sales by product

During the Reporting Period, the gross profit margin of the Group's 42.5-grade cement, 32.5-grade cement and clinker decreased by 4.17 percentage points, 5.39 percentage points and 8.18 percentage points period-on-period, respectively. Among which, the gross profit margin of the Group's self-produced 42.5-grade cement, 32.5-grade cement and clinker decreased by 4.52 percentage points, 5.91 percentage points and 9.30 percentage points period-on-period, respectively. The consolidated gross profit margin of aggregates and manufactured sand decreased by 9.71 percentage points period-on-period to 47.84%; the consolidated gross profit margin of commodity concrete decreased by 4.20 percentage points period-on-period to 8.42%.

3. Management Discussion and Analysis

Sales by region

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

In South China region, due to the decrease in selling prices of products, sales amount decreased by 18.90% period-on-period, and gross profit margin decreased by 6.36 percentage points period-on-period.

In East China, Central China and West China regions, due to the decreases in sales volume and selling prices of products, sales amount decreased by 25.25%, 26.30% and 14.77% period-on-period, respectively, and gross profit margin decreased by 6.32 percentage points, 7.40 percentage points and 0.73 percentage point period-on-period, respectively.

During the Reporting Period, with the continuous improvement of the overseas sales market, sales amount for export and overseas project companies increased by 100.69% and 5.72% period-on-period, respectively.

Sales by sales model

During the Reporting Period, the Group's direct sales amount decreased by 20.28% period-on-period and distribution amount decreased by 24.53% period-on-period; direct sales cost decreased by 15.72% period-on-period and the distribution cost decreased by 20.16% period-on-period; the consolidated gross profit margin of products through direct sales and that of products through distribution decreased by 4.01 percentage points and 4.45 percentage points period-on-period, respectively.

3. Management Discussion and Analysis

(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 corresponding period of the previous year (%) |
|---|---|---|--|
| | Six months ended 30 June 2024 (RMB'000) (Unaudited) | Six months ended 30 June 2023 (RMB'000) (Unaudited) | |
| Revenue from principal activities | 34,050,641 | 43,721,022 | -22.12 |
| Profit from operations | 4,027,821 | 8,306,827 | -51.51 |
| Profit before taxation | 4,386,731 | 8,498,705 | -48.38 |
| Net profit attributable to equity shareholders of the Company | 3,325,646 | 6,465,392 | -48.56 |

During the Reporting Period, mainly affected by the decrease in selling prices of products, the Group's revenue from principal activities, profit from operations, profit before taxation and net profit attributable to equity shareholders of the Company recorded period-on-period decreases of 22.12%, 51.51%, 48.38% and 48.56% 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 2024 and their period-on-period changes

| Items | Six months ended 30 June 2024 | | Six months ended 30 June 2023 | | Change in costs (%) | Change in proportion of costs (percentage points) |
|-------------------------|----------------------------------|------------|----------------------------------|------------|---------------------------|---|
| | Unit costs | Proportion | Unit costs | Proportion | | |
| | (RMB/tonne) (Unaudited) | (%) | (RMB/tonne) (Unaudited) | (%) | | |
| Raw materials | 31.95 | 17.03 | 37.02 | 16.57 | -13.70 | 0.46 |
| Fuel and power | 111.73 | 59.57 | 141.26 | 63.23 | -20.90 | -3.66 |
| Depreciation expense | 15.91 | 8.48 | 15.07 | 6.75 | 5.57 | 1.73 |
| Labor cost | 11.32 | 6.04 | 11.99 | 5.37 | -5.59 | 0.67 |
| Others | 16.66 | 8.88 | 18.05 | 8.08 | -7.70 | 0.80 |
| Total | 187.57 | 100 | 223.39 | 100 | -16.03 | - |

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

During the Reporting Period, the Company's consolidated costs of self-produced cement and clinker products decreased by 16.03%, which was mainly 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 2024 (RMB'000) (Unaudited) | Amount for the six months ended 30 June 2023 (RMB'000) (Unaudited) | Increase or decrease for the Reporting Period over the corresponding period of the previous year (%) | Proportion over the revenue from principal activities for the Reporting Period (%) | Proportion over the revenue from principal activities for the corresponding period of the previous year (%) | Increase or decrease in the proportion over the revenue from principal activities (percentage points) |
|---|--|--|---|---|--|--|
| Selling expenses | 1,564,328 | 1,628,198 | -3.92 | 4.59 | 3.72 | 0.87 |
| Administrative expenses | 2,701,815 | 3,143,337 | -14.05 | 7.93 | 7.19 | 0.74 |
| Research and development expenses | 519,216 | 733,748 | -29.24 | 1.52 | 1.68 | -0.16 |
| Financial expenses (income is stated in negative) | -442,984 | -821,338 | 46.07 | -1.30 | -1.88 | 0.58 |
| Total | 4,342,375 | 4,683,945 | -7.29 | 12.75 | 10.71 | 2.04 |

During the Reporting Period, the Group's research and development expenses decreased by 29.24% period-on-period, which was mainly due to the period-on-period decrease in expenditures for research and development projects such as intelligent production industrialization development and application. The Group's financial expenses (net income) decreased by 46.07% period-on-period, which was mainly due to the impact of fluctuation in exchange rate on financing of some overseas projects, resulting in currency exchange losses.

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 from principal activities was 12.93%, representing a period-on-period increase of 1.89 percentage points, which was mainly due to the decrease in 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 2024 (RMB'000) (Unaudited) | As a percentage of | As at 31 December 2023 (RMB'000) | As a percentage of | Increase or decrease |
|--|--|---|--|--|---|
| | | total assets as at the end of the Reporting Period (%) | | total assets as at the end of the previous year (%) | in amounts as at the end of the Reporting Period from that at the end of the previous year (%) |
| Cash at bank and on hand | 67,835,471 | 27.83 | 68,382,206 | 27.76 | -0.80 |
| Financial assets held for trading | 1,669,958 | 0.69 | 2,210,733 | 0.90 | -24.46 |
| Inventories | 10,530,693 | 4.32 | 10,155,442 | 4.12 | 3.70 |
| Long-term equity investment | 7,916,262 | 3.25 | 7,765,192 | 3.15 | 1.95 |
| Investments in other equity instruments | 1,470,333 | 0.60 | 1,348,011 | 0.55 | 9.07 |
| Fixed assets | 87,943,944 | 36.08 | 85,522,929 | 34.72 | 2.83 |
| Construction in progress | 9,475,313 | 3.89 | 10,840,025 | 4.40 | -12.59 |
| Intangible assets | 32,553,365 | 13.36 | 32,441,933 | 13.17 | 0.34 |
| Total assets | 243,734,511 | 100 | 246,356,360 | 100 | -1.06 |
| Short-term borrowings | 5,102,023 | 2.09 | 4,479,559 | 1.82 | 13.90 |
| Wages payables | 271,245 | 0.11 | 1,512,598 | 0.61 | -82.07 |
| Contract liabilities | 2,712,749 | 1.11 | 2,890,062 | 1.17 | -6.14 |
| Non-current liabilities due within a year | 3,935,191 | 1.61 | 2,867,639 | 1.16 | 37.23 |
| Long-term borrowings | 12,869,256 | 5.28 | 15,611,937 | 6.34 | -17.57 |
| Bonds payables | 3,000,000 | 1.23 | 0.00 | 0.00 | - |
| Total liabilities | 47,530,623 | 19.50 | 48,335,064 | 19.62 | -1.66 |
| Total liabilities and equity | 243,734,511 | 100 | 246,356,360 | 100 | -1.06 |

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 24.46% as compared to that at the end of the previous year, which was mainly due to recovery of structured deposits and fluctuation in share prices of equities held during the Reporting Period; balance of investments in other equity instruments increased by 9.07% as compared to that at the end of the previous year, which was mainly due to fluctuation of share prices of Conch Venture and Huaxin Cement during the Reporting Period; balance of wages payables decreased by 82.07% 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; balance of bonds payables increased by RMB3 billion as compared to that at the end of the previous year, which was mainly attributable to the issue of medium-term notes during the Reporting Period; balance of non-current liabilities due within a year increased by 37.23% as compared to that at the end of the previous year, which was mainly attributable to the reclassification of long-term borrowings with remaining repayment period of less than one year during the Reporting Period. The Group's total assets prepared in accordance with the PRC Accounting Standards amounted to RMB243,735 million, representing a decrease of 1.06% as compared to that at the end of the previous year. Total liabilities amounted to RMB47,531 million, representing a decrease of 1.66% as compared to that at the end of the previous year, of which, current liabilities amounted to RMB28,692 million, representing a decrease of 3.63% as compared to that at the end of the previous year; non-current liabilities amounted to RMB18,838 million, representing an increase of 1.49% 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 19.50%, representing a decrease of 0.12 percentage point as compared to that at the end of the previous year.

3. Management Discussion and Analysis

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 RMB183,547 million, representing a decrease of 0.99% as compared to that at the end of the previous year; equity attributable to minority shareholders amounted to RMB12,657 million, representing an increase of 0.19% 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 RMB34.78, representing a decrease of RMB0.30 per share as compared to that at the end of the previous year.

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 RMB97,266 million and RMB28,692 million respectively, with a current ratio of 3.39:1. The decrease in current ratio as compared to that at the end of the previous year was mainly due to the decrease in the balance of current assets such as bill receivables and prepayments. Total current assets and total current liabilities of the Group prepared in accordance with the IFRSs amounted to RMB97,517 million and RMB28,692 million respectively, with a net gearing ratio of 0.063. 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 amounted to RMB19,572 million, representing 8.03% of the total assets.

During the Reporting Period, subsidiaries of the Company had pledged intangible assets and fixed assets with a book value of approximately RMB65.36 million and RMB315 million, respectively, as security for borrowings from financial institutions. As at the end of the Reporting Period, the aforesaid pledged assets had not been discharged.

3. Management Discussion and Analysis

Save for the above-mentioned pledged assets, no other assets of the Group were distressed, seized, 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 loans of the Group as at the end of the Reporting Period is as follows:

| | As at 30 June 2024 (RMB'000) (Unaudited) | As at 31 December 2023 (RMB'000) |
|--------------------------------------|---|---|
| Due within 1 year | 8,934,652 | 7,249,965 |
| Due after 1 year but within 2 years | 2,706,248 | 3,040,107 |
| Due after 2 years but within 5 years | 6,847,835 | 10,459,630 |
| Due after 5 years | 3,315,173 | 2,112,200 |
| Total | 21,803,908 | 22,861,902 |

As at the end of the Reporting Period, balance of the Group's bank borrowings was RMB21,804 million, representing a decrease of RMB1,058 million as compared to that at the end of the previous year. The decrease was mainly attributable to the repayment of borrowings due 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.

Other than the above borrowings, the Group has medium-term notes due within 3 years with a total issue amount of RMB3.0 billion.

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

3. Management Discussion and Analysis

Analysis of cash flow

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

| | Six months ended 30 June 2024 (RMB'000) (Unaudited) | Six months ended 30 June 2023 (RMB'000) (Unaudited) | Changes (%) |
|---|--|---|----------------|
| Net cash flows generated from operating activities | 6,870,679 | 5,061,236 | 35.75 |
| Net cash flows generated from investing activities | -1,622,370 | -3,454,241 | 53.03 |
| Net cash flows generated from financing activities | -2,962,380 | -3,645,156 | 18.73 |
| Effect of exchange rate change on cash and cash equivalents | 560 | 74,876 | -99.25 |
| Net increase in cash and cash equivalents | 2,286,489 | -1,963,284 | 216.46 |
| Balance of cash and cash equivalents at the beginning of the period | 11,572,016 | 16,321,957 | -29.10 |
| Balance of cash and cash equivalents at the end of the period | 13,858,505 | 14,358,672 | -3.48 |

During the Reporting Period, the Group's net cash flows generated from operating activities amounted to RMB6,871 million, representing a period-on-period increase of RMB1,809 million. Such increase was mainly due to the decreases in the balances of bills receivables, financing of receivables, trade receivables and prepayments as compared with those at the beginning of the year through optimizing the Group's asset structure and the improvement of liquidity level of assets.

3. Management Discussion and Analysis

During the Reporting Period, the Group's net cash outflows from investing activities decreased by RMB1,832 million as compared to that of the corresponding period of the previous year, which was mainly due to the period-on-period decreases in new time deposit and amount of large-denomination certificates of deposit of the Group, and the period-on-period decrease in cash paid for purchase and construction of fixed assets, intangible assets and other long-term assets during the Reporting Period.

During the Reporting Period, the Group's net cash outflows from financing activities decreased by RMB683 million as compared to that of the corresponding period of the previous year, which was mainly due to the period-on-period reduction in the amount of dividend distribution by the Company during the Reporting Period.

3. Capital expenditure

During the Reporting Period, the capital expenditure of the Group amounted to approximately RMB7,664 million, which was mainly 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 and the investments that should be committed but have not been provided for in the accounts are set out as follows:

| | As at 30 June 2024 (RMB'000) (Unaudited) | As at 31 December 2023 (RMB'000) |
|-----------------------------------|---|---|
| Authorized and contracted for | 9,976,290 | 11,795,057 |
| Authorized but not contracted for | 6,569,580 | 6,592,351 |
| Total | 16,545,870 | 18,387,408 |

3. Management Discussion and Analysis

4. Exchange rate risk and related hedging by financial instruments

During the Reporting Period, the payment incurred in the construction of 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.

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, optimized overseas asset-liability structure, reduced liabilities in foreign currencies including USD and HKD, and adjusted 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 attention to the changes of foreign exchange policies of the invested countries, actively responded to the impact of the fluctuation of the exchange rate, reasonably allocated foreign currency assets, and reasonably combined the loan funds in the countries where the Group operates in combination with changes in exchange rates and interest rates and leveraged forward instruments to hedge foreign exchange risks according to the trend of currency exchange rate.

3. Management Discussion and Analysis

OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2024, the central government will adhere to the main theme of “making progress while maintaining stability”, strengthen counter-cyclical adjustment, and implement proactive fiscal policies and prudent monetary policies. With the accelerated placement of funds such as ultra-long-term special government bonds and special bonds, the demand of cement for projects under construction will be boosted, and infrastructure will remain the main driving force for cement demands. With continuous optimization and implementation of supporting policies in terms of “stabilizing the market” and “de-inventory”, and the acceleration of the construction of “three major projects” such as affordable housing, the real estate market will recover to a certain extent. However, the situation of the real estate market is difficult to reverse in the short term, and will be in the stage of further adjustment.

The State Council issued the 2024-2025 Energy Conservation and Carbon Reduction Action Plan and Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development, which require strengthening the adjustment and control on the production capacity and volume of building materials industry and promoting the normalization of staggered production. They also strictly restrict access to new projects, push forward green and low-carbon transformation and upgrading of traditional industries, and establish a comprehensive exit mechanism for production capacity. In addition, the central government proposed to strengthen industry self-discipline, prevent “involution” vicious competition, strengthen the survival of the fittest mechanism of the market, and facilitate the exit channels for backward and inefficient production capacity, all of which can help to alleviate the contradiction between supply and demand in the cement market, maintain the industry ecology and promote the healthy development of the industry.

In terms of operation and management, the Group will pay close attention to international and domestic macroeconomic situation and take national policies as the guidance to continuously improve the quality and efficiency of operations. Firstly, the Group will conduct in-depth study and judgement on market supply and demand conditions, implement differentiated marketing strategies, give full play to the Company’s brand, supply guarantee and quality advantages, consolidate and deepen the collaborative relationships with major customers, and continue to increase market development efforts. Secondly, the Group will firmly grasp the core of “reducing procurement costs”, consolidate and deepen the strategic cooperation with large coal enterprises, increase the proportion of direct supply of raw materials, sum up the experience and promote the use of alternative fuels, and further reduce procurement costs. Thirdly, the Group will carry out comprehensive and refined approach for management, optimize various economic and technological indicators, and continuously enhance production efficiency and resource utilization rate. Fourthly, the Group will unswervingly implement the strategy of strengthening the Company through talents, thrive the incentive and appraisal mechanism, strengthen the construction of innovative talent teams, and generate continuous power for the sustainable development of the Company.

3. Management Discussion and Analysis

In terms of investment development, the Group will insist on effective investment, continuously consolidate the competitive advantages of cement and upstream and downstream industries, and cultivate and expand emerging industries such as new energy, environmental protection and digitalization. Firstly, the Group will seize the opportunity to deeply reshape the market structure of the domestic cement industry, grasp the chance to promote the mergers and acquisitions of high-quality projects, and continuously optimize the market layout. Secondly, the Group will strive for steady progress to expand the layout of overseas businesses, explore diversified development models, make great efforts to seek development opportunities, and focus on improving the operation quality of overseas projects. Thirdly, the Group will consolidate and extend the upstream and downstream industrial chains, improve the operation quality and efficiency of aggregate and commodity concrete businesses, and create a new engine for improving profits. Fourthly, the Group will take the digital industry as the starting point to cultivate and develop new quality productivity, vigorously promote the application of technology results such as intelligent mining system, cement intelligent quality control system, intelligent loading and shipping system and intelligent logistics platform. The Group will explore the application of cutting-edge technologies for energy saving and carbon reduction, so as to form the competitiveness of digital industry while empowering the main business to carry out energy saving, emission reduction and consumption reduction transformation. Fifthly, the Group will expand the development space of new energy industry, promote the enlargement and strengthening of the environmental protection industry, and build new advantages of green development.

4. Report of the Directors

(1) PRINCIPAL INVESTMENTS DURING THE REPORTING PERIOD

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

- (1) In January 2024, Fusui Xinning Conch Cement Co., Ltd. (hereinafter referred to as “Fusui Conch”), a wholly-owned subsidiary of the Company, and Fusui Runfeng Industry Development and Investment Group Co., Ltd. (hereinafter referred to as “Fusui Runfeng Group”) jointly invested in and established Fusui Conch Commodity Concrete Co., Ltd. with a registered capital of RMB30 million, of which Fusui Conch contributed RMB19.5 million, accounting for 65% of its registered capital, and Fusui Runfeng Group contributed RMB10.5 million, accounting for 35% of its registered capital.
- (2) In February 2024, the Company invested in and established Zhoushan Conch New Building Material Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.
- (3) In February 2024, the Company invested in and established Zhenjiang Conch Cement Co., Ltd. with a registered capital of RMB200 million, and the Company holds 100% of its equity interest.
- (4) In March 2024, the Company invested in and established Lianshui Conch Green Construction Technology Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.
- (5) In June 2024, the Company invested in and established Guangde Conch Building Material Co., Ltd. with a registered capital of RMB30 million, and the Company holds 100% of its equity interest.
- (6) During the Reporting Period, the Company completed the deregistration of ten subsidiaries, namely, Anhui Digang Conch New Energy Co., Ltd., Huangshan Conch New Energy Co., Ltd., Ninghai Conch New Energy Technology Co., Ltd., Zunyi Conch New Energy Co., Ltd., Nanchang Conch New Energy Co., Ltd., Wuwei Haibeite New Energy Co., Ltd., Wuhu Haite New Energy Co., Ltd., Conch Zhongxin Mingguang New Energy Co., Ltd., Linxiang Conch New Energy Co., Ltd., Anhui Haibeite New Energy Co., Ltd., and an associate, Xinji Mingguang City New Energy Co., Ltd. Deregistration of these companies will not have adverse impact on the production, operation and the operating results of the Company as a whole.

4. Report of the Directors

2. Acquisition of subsidiaries during the Reporting Period

- (1) In January 2024, the Company acquired 100% equity interest in Conch IT Engineering held by Conch Holdings. The registered capital of Conch IT Engineering was RMB50 million. Upon completion of the acquisition, Conch IT Engineering became a wholly-owned subsidiary of the Company. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 15 December 2023 and 12 January 2024, respectively.
- (2) In March 2024, Conch (Guizhou) Holdings Co., Ltd. (hereinafter referred to as “Guizhou Holdings”), a wholly-owned subsidiary of the Company, acquired 30% equity interest in Liuzhi Conch Yixin Green New Building Material Co., Ltd. (hereinafter referred to as “Liuzhi Conch”) held by Guizhou Yixin Industrial Investment Co., Ltd. The registered capital of Liuzhi Conch was RMB50 million. Upon completion of the equity transfer, Guizhou Holdings held 100% of its equity interest.
- (3) In May 2024, Anhui Conch New Energy Co., Ltd. (hereinafter referred to as “Conch New Energy”), a wholly-owned subsidiary of the Company, acquired 50% equity interest in Qingyuan Conch Qingneng New Energy Investment Co., Ltd. (hereinafter referred to as “Qingyuan New Energy Investment Company”) held by Guangdong Qingneng Electrical Technology. Co., Ltd. The registered capital of Qingyuan New Energy Investment Company was RMB1 million. Upon completion of the equity transfer, Conch New Energy held 100% of its equity interest.

3. Subsidiaries with capital increase during the Reporting Period

- (1) During the Reporting Period, the Company made additional capital contribution of RMB250 million to Anhui Conch Material Trading Co., Ltd. (hereinafter referred to as “Conch Material Trading”), a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Conch Material Trading became RMB300 million, and the Company’s equity interest therein remained unchanged.
- (2) During the Reporting Period, the Company made additional capital contribution of US\$217.7 million to Conch International Holdings (HK) Limited (hereinafter referred to as “Conch HK”), a wholly-owned subsidiary of the Company. After such capital increase, the registered capital of Conch HK became US\$503.1 million, and the Company’s equity interest therein remained unchanged.

Note: 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. Report of the Directors

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 during the Reporting Period (RMB) | Accumulated changes in the fair value recognized in equity (RMB) | 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 (%) | | | | | | | |
| 2233 | WCC | 1,960,606,127 | 29.80 | 29.72 | 3,600,011,502 | 0 | 0 | 0 | 0 | 121,378,252 | 3,644,722,728 |
| 0587 | Conch Environment Protection | 2,825,641,178 | 21.21 | 21.21 | 873,415,379 | 0 | 0 | 0 | 0 | 0 | 873,415,379 |
| 600881 | Yatai Group | 520,559,731 | 5.31 | 5.31 | 336,269,095 | -189,690,257 | 0 | 0 | 0 | 0 | 146,578,838 |
| 600318 | Xinli Finance | 32,441,180 | 5.08 | 5.08 | 183,015,963 | 0 | -17,728,042 | 0 | 0 | 0 | 165,287,921 |
| 0586 | Conch Venture | 1,923,031,472 | 4.94 | 4.99 | 525,633,010 | 0 | 69,102,536 | 0 | 0 | 16,250,452 | 594,735,546 |
| 6655 | Huaxin Cement | 1,146,289,177 | 4.46 | 4.46 | 567,585,673 | 0 | 70,948,123 | 0 | 0 | 49,177,889 | 638,533,796 |
| 000672 | Shangfeng Cement | 178,166,549 | 1.21 | 1.21 | 94,763,878 | -22,809,172 | 0 | 0 | 0 | 4,702,922 | 71,954,706 |
| 000877 | Tianshan Cement | 999,999,999 | 0.86 | 0.86 | 494,814,815 | -94,814,816 | 0 | 0 | 0 | 8,444,444 | 399,999,999 |
| Total | | 9,586,735,413 | | | 6,675,509,315 | -307,314,245 | 122,322,617 | | | 199,953,959 | 6,535,228,913 |

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.
- (3) During the Reporting Period, there was no change in the number of shares of WCC held by the Group. However, the total number of shares of WCC increased due to implementation of its share option scheme, causing the percentage of WCC shareholding of the Group to decline from 29.80% to 29.72%. There was no change in the number of shares of Conch Venture held by the Group. However, Conch Venture canceled the shares repurchased previously, causing the percentage of shareholding of the Group to rise from 4.94% to 4.99%.

4. Report of the Directors

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 by way of non-public placing (the final number of shares to be subscribed for shall be subject to the approval of the CSRC) 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.

In October 2023, pursuant to the “Announcement on Adjusting the Issue Price and the Number of Shares to be Issued to Specific Targets” (2023-082) disclosed by West Construction, based on the pricing principle of the non-public share issuance plan and the actual situation of the company, West Construction adjusted the issue price from RMB6.905 per share to RMB7.02 per share, and the number of shares to be issued was adjusted from 214,845,838 shares to 211,326,283 shares. Among which, the number of shares to be subscribed for by the Company was correspondingly changed from 192,924,047 shares to 189,763,610 shares.

According to the provisional announcement No. 9 published by West Construction in 2024, the CSRC has approved the application by West Construction for issuance of shares to target subscribers.

As at the end of the Reporting Period, the said subscription for shares had not been 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 2024” 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 469 subsidiaries, 13 jointly-controlled entities, and invested in 7 associates and 3 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 jointly invested in 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 amounting 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 jointly invested in 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. The 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). The registration procedures for corporate change in relation to the admission of Hefei Weiyu to the Industrial Investment Fund, and the change procedures for filing of private funds with the Asset Management Association of China have been completed.

As at the date of publication of this report, the Industrial Investment Fund has completed the first phase of fundraising of RMB15 billion, of which the Company has made actual paid-in capital contribution amount of RMB1.6 billion. For details, please refer to the provisional announcements No. 26, 29, 37 and 47 as disclosed by the Company on the website of SSE in 2021, the provisional announcement No. 1 published by the Company on the website of SSE in January 2023 and the provisional announcement No. 8 published by the Company on the website of SSE in January 2024.

4. Report of the Directors

- (2) In 2023, 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 Co., Ltd.) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, Wuhu High New Industrial Development Fund Company Limited, Wuhu Jinghu Zhenye Investment Fund Company Limited and Ningbo Shangyi Software Company Limited), with a total capital contribution amount of RMB5 billion, of which RMB1.5 billion shall be contributed by the Company. The partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company. The Industrial Internet Master Fund has a term of 11 years (which may be extended for a total period of up to 2 years) and its business scope 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 or investing in established sub-funds with other partners, with a focus on projects with strong growth potential within the “Industrial Internet+” ecological platform, including intelligent manufacturing, industrial platforms, industrial software, industrial supply chains, industrial application solutions, industrial Internet hardware, blockchain, cloud computing, Internet of Things, artificial intelligence, 5G and other fields.

The Industrial Internet Master Fund has completed the registration procedures of the changes of partners and registered capital with the State Administration for Market Regulation, and the filing of private equity funds with the Asset Management Association of China. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and 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, 27 June 2023 and 28 September 2023, respectively.

4. Report of the Directors

- (3) In 2023, the Company (as a limited partner) jointly invested in Anhui Conch Goldstone Innovation Development Investment Fund Partnership (Limited Partnership) (hereinafter referred to as the “Innovation Development Investment Fund”) with two general partners (namely, Goldstone Investment Co., Ltd. and CITIC Private Equity Fund Management Company Limited) and five other limited partners (namely, Conch Capital, Wuhu Industrial Investment, CITIC City West Science and Innovation Corridor (Hangzhou) Equity Investment Fund Partnership (Limited Partnership), Anhui Expressway Company Limited and Goldstone Runze (Zibo) Investment Consultation Partnership (Limited Partnership)), with a total capital contribution amount of RMB5 billion, of which RMB1 billion shall be contributed by the Company. The partnership will not be accounted for as a subsidiary of the Company and its financial results will not be consolidated into the accounts of the Company. The Innovation Development Investment Fund has a term of eight years (which may be extended for a total period of up to 2 years) and its business scope includes engaging in activities such as equity investment, investment management and asset management as a private equity fund. The scope of its investment mainly covers strategic emerging industries and high-tech industries, including new energies, new materials, carbon technology, digital industry, green environmental protection and intelligent transportation.

The Innovation Development Investment Fund has completed the registration procedures of the changes of partners and registered capital with the State Administration for Market Regulation, and the filing of private equity funds with the Asset Management Association of China. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 8 September 2023, and the announcements published on the website of the SSE on 9 September 2023 and 8 November 2023, respectively.

The Company will fulfill information disclosure obligation on a timely basis in strict accordance with the SSE Listing Rules, the Guidelines of Self-regulation of Companies Listed on Shanghai Stock Exchange No. 5 – Transactions and Related Party Transactions (《上海證券交易所上市公司自律監管指引第5號—交易與關聯交易》) and other relevant requirements according to the subsequent progress of the Industrial Investment Fund, the Industrial Internet Master Fund and the Innovation Development Investment Fund.

4. Report of the Directors

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:

| No. | Trustee | Inception date | Expiry date | Product name | Amount (RMB in billion) | Expected annualized rate of return | Status of recovery | Actual income (RMB'0000) |
|-----|---------------------------------------|---------------------|---------------------|---|-------------------------------|---|-----------------------|--------------------------------|
| 1 | 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 due | / |

During the Reporting Period, the Company had no restricted and overdue financial entrustment which was not recovered.

(2) IMPLEMENTATION OF THE 2023 PROFIT DISTRIBUTION PROPOSAL OF THE COMPANY

On 30 May 2024, the profit distribution proposal for the year 2023 was considered and approved at the 2023 annual general meeting of the Company. Based on the Company's total number of issued shares of 5,299,302,579 shares registered on the record date for the implementation of equity distribution, less 22,242,535 A Shares in the Company's designated securities account for repurchase, a cash dividend of RMB0.96 (tax inclusive) per share was paid to all the shareholders of the Company, totaling RMB5,065,977,642.24 (tax inclusive). As at the date of publication of this report, 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 2024.

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 meetings and legal advice was issued in connection therewith to ensure that decision-making procedures and contents of the general meetings are legal and valid and that shareholders can fully exercise their own rights. On 30 May 2024, the Company convened the 2023 annual general meeting. For details of the voting results of the resolutions at the annual general meeting, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 30 May 2024 and the announcement published by the Company on the website of the SSE on 31 May 2024.

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 formulate and implement various resolutions of general meetings, make scientific decisions and facilitate the healthy and stable development of the Company.

The Supervisory Committee is the monitoring body of the Company, accountable to the shareholders in general meeting. It operates effectively in accordance with the Rules of Procedures of Supervisory Committee Meeting and effectively monitors the performance of duties of the Directors and senior management members and matters relating to the operation of the Company in accordance with the law.

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 C1 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 2024 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 MEMBERS

On 9 January 2024, pursuant to the recommendation of the Remuneration and Nomination Committee, the Board agreed to promote Mr. Pan Zhonghong from an assistant to general manager of the Company to a deputy general manager of the Company, and such change of position was effective on the same date.

On 19 June 2024, the Board received a written resignation report from Mr. Zhou Xiaochuan, applying for resignation from his positions as an executive Director, the secretary to the Board (a joint company secretary), an authorised representative of the Company (hereinafter referred to as “Authorised Representative”) under Rule 3.05 of the HKSE Listing Rules, and a member of the ESG Management Committee due to the pursuit of his own work commitments and other business engagements, and his resignation was effective on the same date. On the same day, pursuant to the recommendation of the Remuneration and Nomination Committee, the Board agreed to appoint Mr. Yu Shui as the secretary to the Board (a joint company secretary), an Authorised Representative and a member of the ESG Management Committee of the Company and Mr. Liu Qingxin as an assistant to general manager of the Company, and the above appointments were effective on the same date. The Board nominated Mr. Yu Shui as a candidate for executive Director of the ninth session of the Board of the Company and submitted the relevant resolution to the shareholders of the Company for consideration and approval at the extraordinary general meeting of the Company.

On 12 July 2024, the Board received a written resignation report from Mr. Wang Jianchao, applying for resignation from his positions as the deputy chairman of the Company cum an executive Director, due to his reaching of the statutory retirement age, and his resignation was effective on the same date. On the same day, pursuant to the recommendation of the Remuneration and Nomination Committee, the Board nominated Mr. Zhu Shengli as a candidate for executive Director of the ninth session of the Board of the Company and submitted the relevant resolution to the shareholders of the Company for consideration and approval at the extraordinary general meeting of the Company.

5. Corporate Governance

Upon approval at the first extraordinary general meeting of the Company in 2024 held on 21 August 2024, each of Mr. Zhu Shengli and Mr. Yu Shui was appointed as an executive Director of the ninth session of the Board of the Company, and their tenure of office became effective from the same date until the expiry of the term of the ninth session of the Board.

On 21 August 2024, the tenth meeting of the ninth session of the Board was held by the Company, and all Directors unanimously elected Mr. Zhu Shengli as the deputy chairman of the ninth session of the Board of the Company.

Save for the aforesaid, during the Reporting Period and as at the date of publication of this report, there was no other change of Directors, Supervisors and senior management members of the Company nor 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, 90 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 major pollutants and special types of pollutants | Discharge mode | Number of discharge outlets | Distribution of discharge outlets | Average discharge concentration (mg/m ³) | 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 Conch Cement Company Limited | Sulfur dioxide | Organised | 2 | Kiln tail | 13.20 | DB34/3576-2020 | 53.10 | 378.13 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 49.28 | DB34/3576-2020 | 176.46 | 756.25 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.57 | DB34/3576-2020 | 14.89 | 208.03 | No |
| | | Particulate matter | Organised | 224 | General discharge outlet | 1.69 | DB34/3576-2020 | 2.10 | | No |
| 2 | Baimashan Cement Plant of Anhui Conch Cement Company Limited | Sulfur dioxide | Organised | 1 | Kiln tail | 3.01 | DB34/3576-2020 | 7.93 | 213.13 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 31.83 | DB34/3576-2020 | 79.69 | 426.25 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 0.88 | DB34/3576-2020 | 2.92 | 70.53 | No |
| | | Sulfur dioxide | Organised | 1 | Coal mill | 3.33 | DB34/3576-2020 | 0.46 | 35.65 | No |
| | | Nitrogen oxides | Organised | 1 | Coal mill | 21.67 | DB34/3576-2020 | 3.06 | 71.30 | No |
| | | Particulate matter | Organised | 128 | General discharge outlet | 1.38 | DB34/3576-2020 | 3.14 | 72.12 | No |
| 3 | Anhui Chizhou Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 8 | Kiln tail | 4.15 | DB34/3576-2020 | 100.85 | 1704.13 | No |
| | | Nitrogen oxides | Organised | 8 | Kiln tail | 37.76 | DB34/3576-2020 | 859.37 | 3821.80 | No |
| | | Particulate matter | Organised | 16 | Kiln head and tail | 3.00 | DB34/3576-2020 | 90.83 | 878.46 | No |
| | | Particulate matter | Organised | 436 | General discharge outlet | 3.00 | DB34/3576-2020 | 10.48 | | No |
| 4 | Tongling Conch | Sulfur dioxide | Organised | 5 | Kiln tail | 2.70 | DB34/3576-2020 | 45.77 | 1773.80 | No |
| | | Nitrogen oxides | Organised | 5 | Kiln tail | 40.30 | DB34/3576-2020 | 755.48 | 3547.60 | No |
| | | Particulate matter | Organised | 10 | Kiln head and tail | 3.13 | DB34/3576-2020 | 79.27 | 871.60 | No |
| | | Particulate matter | Organised | 383 | General discharge outlet | 4.27 | DB34/3576-2020 | 20.59 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 5 | Anhui Digang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 4 | Kiln tail | 15.71 | DB34/3576-2020 | 156.52 | 713.75 | No |
| | | Nitrogen oxides | Organised | 4 | Kiln tail | 32.87 | DB34/3576-2020 | 309.61 | 1427.50 | No |
| | | Particulate matter | Organised | 8 | Kiln head and tail | 1.28 | DB34/3576-2020 | 11.87 | 398.24 | No |
| | | Particulate matter | Organised | 206 | General discharge outlet | 3.18 | DB34/3576-2020 | 10.62 | | No |
| 6 | Wuhu Conch | Sulfur dioxide | Organised | 6 | Kiln tail | 18.60 | DB34/3576-2020 | 393.43 | 1383.84 | No |
| | | Nitrogen oxides | Organised | 6 | Kiln tail | 35.04 | DB34/3576-2020 | 693.33 | 3578.75 | No |
| | | Particulate matter | Organised | 12 | Kiln head and tail | 2.35 | DB34/3576-2020 | 71.52 | 854.75 | No |
| | | Particulate matter | Organised | 435 | General discharge outlet | 2.24 | DB34/3576-2020 | 21.79 | | No |
| 7 | Anhui Zongyang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 5 | Kiln tail | 1.03 | DB34/3576-2020 | 16.18 | 1237.50 | No |
| | | Nitrogen oxides | Organised | 5 | Kiln tail | 36.08 | DB34/3576-2020 | 446.04 | 2475.00 | No |
| | | Particulate matter | Organised | 10 | Kiln head and tail | 1.30 | DB34/3576-2020 | 38.87 | 554.29 | No |
| | | Particulate matter | Organised | 216 | General discharge outlet | 3.20 | DB34/3576-2020 | 3.97 | | No |
| 8 | Anhui Xuancheng Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 13.26 | DB34/3576-2020 | 47.44 | 386.62 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 35.05 | DB34/3576-2020 | 124.33 | 773.67 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 1.73 | DB34/3576-2020 | 10.76 | 234.96 | No |
| | | Particulate matter | Organised | 141 | General discharge outlet | 2.02 | DB34/3576-2020 | 1.84 | | No |
| 9 | Wuhu South Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 20.50 | DB34/3576-2020 | 61.50 | 513.13 | No |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 70.11 | DB34/3576-2020 | 206.36 | 1031.25 | No |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 2.14 | DB34/3576-2020 | 10.69 | 1686.31 | No |
| | | Particulate matter | Organised | 198 | General discharge outlet | 3.20 | DB34/3576-2020 | 11.59 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|-----------|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| | | | | | | | | | | | |
| 10 | Yingde Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 4 | Kiln tail | 34.09 | GB4915-2013 | 172.89 | 640.00 | No | |
| | | Nitrogen oxides | Organised | 4 | Kiln tail | 167.41 | GB4915-2013 | 805.11 | 4712.00 | No | |
| | | Particulate matter | Organised | 8 | Kiln head and tail | 4.37 | GB4915-2013 | 36.08 | 699.27 | No | |
| | | Particulate matter | Organised | 222 | General discharge outlet | 2.11 | GB4915-2013 | 5.72 | | No | |
| 11 | Yangchun Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 29.00 | GB4915-2013 | 231.90 | 530.00 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 163.50 | GB4915-2013 | 1323.45 | 3548.00 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 3.73 | GB4915-2013 | 38.02 | 746.13 | No | |
| | | Particulate matter | Organised | 194 | General discharge outlet | 4.30 | GB4915-2013 | 84.60 | | No | |
| 12 | Guangdong Qingxin Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 5.55 | GB4915-2013 | 32.88 | 320.00 | No | |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 41.57 | GB4915-2013 | 208.32 | 589.54 | No | |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 0.59 | GB4915-2013 | 2.62 | 582.68 | No | |
| | | Particulate matter | Organised | 120 | General discharge outlet | 4.75 | GB4915-2013 | 7.93 | | No | |
| 13 | Hainan Changjiang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 35.83 | DB46/524-2021 | 52.45 | 387.50 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 139.92 | DB46/524-2021 | 213.75 | 775.00 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.73 | DB46/524-2021 | 4.23 | 117.48 | No | |
| | | Particulate matter | Organised | 108 | General discharge outlet | 4.81 | DB46/524-2021 | 3.40 | | No | |
| 14 | Guangdong Qingyuan Guangying Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 16.14 | GB4915-2013 | 53.34 | 234.09 | No | |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 259.11 | GB4915-2013 | 616.12 | 2342.65 | No | |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 4.98 | GB4915-2013 | 16.42 | 228.01 | No | |
| | | Particulate matter | Organised | 107 | General discharge outlet | 2.87 | GB4915-2013 | 3.48 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 15 | Guangdong Conch Hongfeng Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 28.28 | GB4915-2013 | 68.16 | 376.46 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 269.24 | GB4915-2013 | 670.73 | 1965.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 4.29 | GB4915-2013 | 19.28 | 299.13 | No |
| | | Particulate matter | Organised | 119 | General discharge outlet | 3.48 | GB4915-2013 | 10.74 | | No |
| 16 | Xing'an Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 21.34 | GB4915-2013 | 42.68 | 300.00 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 218.93 | GB4915-2013 | 540.28 | 2476.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 7.55 | GB4915-2013 | 19.73 | 543.70 | No |
| | | Particulate matter | Organised | 135 | General discharge outlet | 5.70 | GB4915-2013 | 22.42 | | No |
| 17 | Xingye Kuyang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 22.69 | GB4915-2013 | 72.62 | 130.58 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 309.20 | GB4915-2013 | 1232.79 | 2713.31 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.32 | GB4915-2013 | 19.95 | 1041.97 | No |
| | | Particulate matter | Organised | 160 | General discharge outlet | 5.31 | GB4915-2013 | 19.57 | | No |
| 18 | Fusui Conch | Sulfur dioxide | Organised | 3 | Kiln tail | 16.71 | GB4915-2013 | 81.11 | 181.00 | No |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 193.10 | GB4915-2013 | 982.12 | 3713.00 | No |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 2.46 | GB4915-2013 | 20.09 | 605.20 | No |
| | | Particulate matter | Organised | 295 | General discharge outlet | 7.09 | GB4915-2013 | 19.21 | | No |
| 19 | Beiliu Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 12.40 | GB4915-2013 | 27.61 | 265.80 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 217.87 | GB4915-2013 | 1087.31 | 2525.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 6.87 | GB4915-2013 | 42.58 | 600.00 | No |
| | | Particulate matter | Organised | 165 | General discharge outlet | 6.39 | GB4915-2013 | 20.57 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|-----------|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| | | | | | | | | | | | |
| 20 | Longan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 88.88 | GB4915-2013 | 113.89 | 632.60 | No | |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 264.40 | GB4915-2013 | 352.61 | 1364.00 | No | |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 7.00 | GB4915-2013 | 15.44 | 276.50 | No | |
| | | Particulate matter | Organised | 122 | General discharge outlet | 5.84 | GB4915-2013 | 11.71 | | No | |
| 21 | Guangxi Lingyun Tonghong Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 27.69 | GB4915-2013 | 17.70 | 426.25 | No | |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 325.05 | GB4915-2013 | 196.42 | 852.50 | No | |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 4.48 | GB4915-2013 | 1.56 | 177.38 | No | |
| | | Particulate matter | Organised | 68 | General discharge outlet | 3.45 | GB4915-2013 | 0.96 | | No | |
| 22 | Fenxi Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 3.86 | GB4915-2013 | 5.81 | 900.90 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 191.10 | GB4915-2013 | 245.13 | 1801.80 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 6.49 | GB4915-2013 | 11.94 | 362.92 | No | |
| | | Particulate matter | Organised | 129 | General discharge outlet | 5.85 | GB4915-2013 | 2.91 | | No | |
| 23 | Yiyang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 6.83 | GB4915-2013 | 46.75 | 320.00 | No | |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 130.17 | GB4915-2013 | 945.39 | 4468.50 | No | |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 3.63 | GB4915-2013 | 27.82 | 853.41 | No | |
| | | Particulate matter | Organised | 191 | General discharge outlet | 8.38 | GB4915-2013 | 16.27 | | No | |
| 24 | Ganzhou Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 5.55 | GB4915-2013 | 19.84 | 235.19 | No | |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 229.37 | GB4915-2013 | 776.71 | 2641.00 | No | |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 3.61 | GB4915-2013 | 16.29 | 519.87 | No | |
| | | Particulate matter | Organised | 159 | General discharge outlet | 6.90 | GB4915-2013 | 7.39 | 293.17 | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|-----------------------------------|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 25 | Shuangfeng Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 1.20 | GB4915-2013 | 5.06 | 470.00 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 46.50 | GB4915-2013 | 104.61 | 1981.87 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 5.20 | GB4915-2013 | 14.63 | 399.09 | No |
| | | Particulate matter | Organised | 175 | General discharge outlet | 3.50 | GB4915-2013 | 0.82 | | No |
| 26 | Hunan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 3.49 | GB4915-2013 | 8.42 | 404.36 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 34.08 | GB4915-2013 | 56.47 | 2880.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 3.07 | GB4915-2013 | 5.32 | 458.39 | No |
| | | Particulate matter | Organised | 180 | General discharge outlet | 6.50 | GB4915-2013 | 11.36 | | No |
| 27 | Shimen Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 5.13 | GB4915-2013 | 10.94 | 450.10 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 39.01 | GB4915-2013 | 79.73 | 2547.60 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 5.92 | GB4915-2013 | 17.21 | 402.05 | No |
| | | Particulate matter | Organised | 148 | General discharge outlet | 2.31 | GB4915-2013 | 1.19 | | No |
| 28 | Qiyang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 16.35 | GB4915-2013 | 23.79 | 462.10 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 43.00 | GB4915-2013 | 67.45 | 2187.90 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.56 | GB4915-2013 | 6.20 | 391.00 | No |
| | | Particulate matter | Organised | 124 | General discharge outlet | 7.50 | GB4915-2013 | 8.39 | | No |
| 29 | Jianghua Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 0.04 | GB4915-2013 | 0.06 | 234.40 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 40.40 | GB4915-2013 | 69.55 | 387.50 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 2.74 | GB4915-2013 | 5.12 | 202.01 | No |
| | | Particulate matter | Organised | 130 | General discharge outlet | 6.66 | GB4915-2013 | 6.87 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 30 | Shaoyang Yunfeng New Energy Technology Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 14.88 | GB4915-2013 | 17.06 | 160.00 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 30.86 | GB4915-2013 | 32.83 | 1116.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 5.46 | GB4915-2013 | 6.13 | 184.50 | No |
| | | Particulate matter | Organised | 91 | General discharge outlet | 4.29 | GB4915-2013 | 0.91 | | No |
| 31 | Hunan Yunfeng Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 0.42 | GB4915-2013 | 0.38 | 247.05 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 74.27 | GB4915-2013 | 70.32 | 1716.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.04 | GB4915-2013 | 3.18 | 305.60 | No |
| | | Particulate matter | Organised | 133 | General discharge outlet | 3.17 | GB4915-2013 | 0.97 | | No |
| 32 | Hunan Yiyang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 4.55 | GB4915-2013 | 10.03 | 234.97 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 40.91 | GB4915-2013 | 74.31 | 238.32 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 2.53 | GB4915-2013 | 6.51 | 231.38 | No |
| | | Particulate matter | Organised | 96 | General discharge outlet | 2.89 | GB4915-2013 | 3.05 | | No |
| 33 | Lianyuan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 0.46 | GB4915-2013 | 0.56 | 151.11 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 39.73 | GB4915-2013 | 64.71 | 1440.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 2.14 | GB4915-2013 | 5.07 | 340.31 | No |
| | | Particulate matter | Organised | 149 | General discharge outlet | 4.17 | GB4915-2013 | 7.62 | | No |
| 34 | Linxiang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 8.76 | GB4915-2013 | 18.72 | 150.00 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 40.55 | GB4915-2013 | 72.46 | 1120.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 1.07 | GB4915-2013 | 2.88 | 186.28 | No |
| | | Particulate matter | Organised | 84 | General discharge outlet | 6.59 | GB4915-2013 | 8.94 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|-------------------------------|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 35 | Jiande Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 4.54 | DB33/1346-2023 | 16.22 | 300.00 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 38.76 | DB33/1346-2023 | 140.73 | 1840.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 1.30 | DB33/1346-2023 | 6.31 | 294.06 | No |
| | | Particulate matter | Organised | 107 | General discharge outlet | 3.12 | DB33/1346-2023 | 3.56 | | No |
| 36 | Jining Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 6.62 | DB37/2373-2018 | 11.60 | 299.53 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 44.50 | DB37/2373-2018 | 68.20 | 619.61 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 0.67 | DB37/2373-2018 | 1.53 | 169.65 | No |
| | | Particulate matter | Organised | 134 | General discharge outlet | 4.70 | GB4915-2013 | 4.66 | | No |
| 37 | China Cement Plant Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 4.40 | DB32/4149-2021 | 3.64 | 52.38 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 42.60 | DB32/4149-2021 | 33.38 | 387.50 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 1.18 | DB32/4149-2021 | 1.22 | 100.17 | No |
| | | Particulate matter | Organised | 84 | General discharge outlet | 4.60 | DB32/4149-2021 | 1.92 | | No |
| 38 | Chaohu Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 14.38 | DB34/3576-2020 | 76.01 | 618.75 | No |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 38.03 | DB34/3576-2020 | 200.37 | 1237.50 | No |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 2.48 | DB34/3576-2020 | 19.01 | 316.92 | No |
| | | Particulate matter | Organised | 149 | General discharge outlet | 2.35 | DB34/3576-2020 | 3.55 | | No |
| 39 | Suzhou Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 16.68 | DB34/3576-2020 | 56.32 | 240.00 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 42.83 | DB34/3576-2020 | 193.71 | 825.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 3.64 | DB34/3576-2020 | 16.36 | 271.48 | No |
| | | Particulate matter | Organised | 119 | General discharge outlet | 1.22 | DB34/3576-2020 | 1.43 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---------------------------------------|--|-----------|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| | | | | | | | | | | | |
| 40 | Quanjiao Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 8.07 | DB34/3576-2020 | 33.12 | 300.00 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 36.38 | DB34/3576-2020 | 145.80 | 825.00 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 1.70 | DB34/3576-2020 | 10.10 | 267.18 | No | |
| | | Particulate matter | Organised | 146 | General discharge outlet | 1.86 | DB34/3576-2020 | 5.63 | | No | |
| 41 | Anhui Huaining Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 6.86 | DB34/3576-2020 | 30.77 | 412.50 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 40.72 | DB34/3576-2020 | 190.35 | 825.00 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 1.15 | DB34/3576-2020 | 6.98 | 252.84 | No | |
| | | Particulate matter | Organised | 172 | General discharge outlet | 2.18 | DB34/3576-2020 | 6.04 | | No | |
| 42 | Guangyuan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 8.81 | DB51/2864-2021 | 31.92 | 342.58 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 39.88 | DB51/2864-2021 | 136.77 | 3003.84 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.42 | DB51/2864-2021 | 11.54 | 600.04 | No | |
| | | Particulate matter | Organised | 161 | General discharge outlet | 4.43 | DB51/2864-2021 | 14.81 | | No | |
| 43 | Dazhou Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 8.68 | DB51/2864-2021 | 46.12 | 259.88 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 41.69 | DB51/2864-2021 | 222.63 | 742.50 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 0.58 | DB51/2864-2021 | 4.30 | 253.79 | No | |
| | | Particulate matter | Organised | 123 | General discharge outlet | 3.32 | DB51/2864-2021 | 14.59 | | No | |
| 44 | Bazhong Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 2.36 | DB51/2864-2021 | 5.12 | 142.13 | No | |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 83.61 | DB51/2864-2021 | 183.15 | 1008.26 | No | |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 1.76 | DB51/2864-2021 | 5.95 | 326.99 | No | |
| | | Particulate matter | Organised | 96 | General discharge outlet | 4.23 | DB51/2864-2021 | 6.39 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|----------------------------------|--|----------------|-----------------------------|-----------------------------------|--|--|-----------------------------------|---|---------------------|
| 45 | Chongqing Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 13.52 | DB50/656-2016 | 56.50 | 2252.25 | No |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 45.26 | DB50/656-2016 | 212.61 | 3474.00 | No |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 1.78 | DB50/656-2016 | 13.71 | 875.36 | No |
| | | Particulate matter | Organised | 251 | General discharge outlet | 5.33 | DB50/656-2016 | 19.67 | | No |
| 46 | Liangping Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 4.85 | DB50/656-2016 | 12.24 | 653.40 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 150.61 | DB50/656-2016 | 281.42 | 914.76 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 4.09 | DB50/656-2016 | 10.70 | 309.03 | No |
| | | Particulate matter | Organised | 82 | General discharge outlet | 8.55 | DB50/656-2016 | 8.96 | | No |
| 47 | Basu Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 5.26 | GB4915-2013 | 7.02 | 79.58 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 188.44 | Environmental impact evaluation approval document for construction project | 251.71 | 567.74 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 7.52 | GB4915-2013 | 15.05 | 151.20 | No |
| | | Particulate matter | Organised | 80 | General discharge outlet | 2.63 | GB4915-2013 | 3.02 | | No |
| 48 | Pingliang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 14.87 | GB4915-2013 | 30.10 | 1515.00 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 61.59 | GB4915-2013 | 89.60 | 3030.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 4.51 | GB4915-2013 | 10.54 | 645.80 | No |
| | | Particulate matter | Organised | 145 | General discharge outlet | 8.23 | GB4915-2013 | 5.89 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 49 | Liquan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 4.39 | DB61/941-2018 | 13.19 | 208.69 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 39.71 | DB61/941-2018 | 123.46 | 1908.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 1.94 | DB61/941-2018 | 7.74 | 335.96 | No |
| | | Particulate matter | Organised | 162 | General discharge outlet | 5.16 | DB61/941-2018 | 10.84 | | No |
| 50 | Qianyang Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 1.80 | DB61/941-2018 | 1.25 | 293.99 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 42.20 | DB61/941-2018 | 31.32 | 1061.78 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 2.00 | DB61/941-2018 | 3.52 | 204.97 | No |
| | | Particulate matter | Organised | 126 | General discharge outlet | 6.35 | DB61/941-2018 | 2.23 | | No |
| 51 | Baoji Zhongxi Jinlinghe Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 6.70 | DB61/941-2018 | 4.13 | 174.38 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 34.20 | DB61/941-2018 | 23.07 | 1116.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 3.55 | DB61/941-2018 | 3.26 | 176.33 | No |
| | | Particulate matter | Organised | 105 | General discharge outlet | 4.02 | DB61/941-2018 | 3.15 | | No |
| 52 | Qianxian Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 13.17 | DB61/941-2018 | 15.03 | 191.81 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 43.75 | DB61/941-2018 | 49.31 | 1227.60 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 0.92 | DB61/941-2018 | 1.50 | 183.30 | No |
| | | Particulate matter | Organised | 125 | General discharge outlet | 5.33 | DB61/941-2018 | 5.63 | | No |
| 53 | Fenghuangshan Cement | Sulfur dioxide | Organised | 1 | Kiln tail | 8.12 | DB61/941-2018 | 5.44 | 279.00 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 39.62 | DB61/941-2018 | 31.19 | 1116.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 2.35 | DB61/941-2018 | 2.58 | 176.33 | No |
| | | Particulate matter | Organised | 127 | General discharge outlet | 4.12 | DB61/941-2018 | 4.27 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 54 | Shaanxi Tongchuan Fenghuang Construction Materials Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 10.95 | DB61/941-2018 | 10.98 | 337.50 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 141.57 | DB61/941-2018 | 139.70 | 1080.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 1.36 | DB61/941-2018 | 2.62 | 175.13 | No |
| | | Particulate matter | Organised | 80 | General discharge outlet | 4.60 | DB61/941-2018 | 5.48 | | No |
| 55 | Hami Hongyi Construction Materials Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 8.40 | GB4915-2013 | 3.14 | 45.00 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 153.67 | GB4915-2013 | 56.13 | 750.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 11.16 | GB4915-2013 | 5.37 | 152.68 | No |
| | | Particulate matter | Organised | 62 | General discharge outlet | 13.68 | GB4915-2013 | 4.14 | | No |
| 56 | Linxia Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 10.14 | GB4915-2013 | 16.00 | 145.85 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 106.59 | GB4915-2013 | 168.30 | 1004.10 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.94 | GB4915-2013 | 5.30 | 164.30 | No |
| | | Particulate matter | Organised | 114 | General discharge outlet | 5.75 | GB4915-2013 | 7.22 | | No |
| 57 | Guiyang Conch Panjiang Cement Co., Ltd. | Sulfur dioxide | Organised | 3 | Kiln tail | 12.54 | GB4915-2013 | 49.17 | 706.37 | No |
| | | Nitrogen oxides | Organised | 3 | Kiln tail | 253.25 | GB4915-2013 | 846.47 | 3901.51 | No |
| | | Particulate matter | Organised | 6 | Kiln head and tail | 5.41 | GB4915-2013 | 22.99 | 585.83 | No |
| | | Particulate matter | Organised | 157 | General discharge outlet | 4.76 | GB4915-2013 | 8.42 | | No |
| 58 | Zunyi Conch Panjiang Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 129.26 | GB4915-2013 | 436.39 | 1633.50 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 108.73 | GB4915-2013 | 362.11 | 3267.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 6.12 | GB4915-2013 | 19.18 | 671.18 | No |
| | | Particulate matter | Organised | 120 | General discharge outlet | 5.21 | GB4915-2013 | 6.84 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|-----------|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| | | | | | | | | | | | |
| 59 | Tongren Conch Panjiang Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 37.76 | GB4915-2013 | 28.22 | 1485.00 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 176.52 | GB4915-2013 | 115.72 | 2970.00 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 0.93 | GB4915-2013 | 1.30 | 593.44 | No | |
| | | Particulate matter | Organised | 131 | General discharge outlet | 4.96 | GB4915-2013 | 3.21 | | No | |
| 60 | Guiding Conch Panjiang Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 4.65 | GB4915-2013 | 6.06 | 1633.00 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 330.88 | GB4915-2013 | 491.12 | 3267.00 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 5.24 | GB4915-2013 | 11.25 | 671.23 | No | |
| | | Particulate matter | Organised | 142 | General discharge outlet | 6.62 | GB4915-2013 | 13.51 | | No | |
| 61 | Qianxinan Resource Development Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 49.46 | GB4915-2013 | 23.27 | 241.00 | No | |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 179.88 | GB4915-2013 | 78.85 | 620.00 | No | |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 5.97 | GB4915-2013 | 3.83 | 134.06 | No | |
| | | Particulate matter | Organised | 103 | General discharge outlet | 9.31 | GB4915-2013 | 2.88 | | No | |
| 62 | Shuicheng Conch Panjiang Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 6.37 | GB4915-2013 | 12.99 | 623.40 | No | |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 153.81 | GB4915-2013 | 295.67 | 2333.68 | No | |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 1.55 | GB4915-2013 | 2.64 | 488.02 | No | |
| | | Particulate matter | Organised | 115 | General discharge outlet | 7.19 | GB4915-2013 | 4.96 | | No | |
| 63 | Guizhou Liukuanguan Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 64.80 | GB4915-2013 | 67.80 | 347.75 | No | |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 175.84 | GB4915-2013 | 179.90 | 1485.00 | No | |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 3.86 | GB4915-2013 | 4.34 | 315.87 | No | |
| | | Particulate matter | Organised | 75 | General discharge outlet | 7.09 | GB4915-2013 | 7.06 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 64 | Guizhou New Shuanglong Cement Co., Ltd. ^{Note} | Sulfur dioxide | Organised | 1 | Kiln tail | / | GB4915-2013 | / | 135.00 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | / | GB4915-2013 | / | 620.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | / | GB4915-2013 | / | 142.00 | No |
| | | Particulate matter | Organised | 65 | General discharge outlet | 8.60 | GB4915-2013 | 0.22 | | No |
| 65 | Baoshan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 10.28 | GB4915-2013 | 11.64 | 150.76 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 215.13 | GB4915-2013 | 534.38 | 1395.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 2.55 | GB4915-2013 | 6.36 | 304.23 | No |
| | | Particulate matter | Organised | 77 | General discharge outlet | 7.72 | GB4915-2013 | 6.64 | | No |
| 66 | Longling Conch Cement Co., Ltd. ^{Note} | 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 | 7.57 | GB4915-2013 | 0.90 | | No |
| 67 | Yingjiang Yunhan Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 5.64 | GB4915-2013 | 6.36 | 60.15 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 230.08 | GB4915-2013 | 256.77 | 1304.05 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 1.86 | GB4915-2013 | 3.34 | 260.22 | No |
| | | Particulate matter | Organised | 97 | General discharge outlet | 8.01 | GB4915-2013 | 9.68 | | No |
| 68 | Wenshan Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 2 | Kiln tail | 0.39 | GB4915-2013 | 1.14 | 241.10 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail | 217.11 | GB4915-2013 | 672.05 | 2790.00 | No |
| | | Particulate matter | Organised | 4 | Kiln head and tail | 2.25 | GB4915-2013 | 7.49 | 603.89 | No |
| | | Particulate matter | Organised | 134 | General discharge outlet | 7.37 | GB4915-2013 | 10.87 | | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 69 | Kunming Conch Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 16.76 | GB4915-2013 | 0.11 | 62.27 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 274.82 | GB4915-2013 | 4.80 | 775.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 4.51 | GB4915-2013 | 0.08 | 94.90 | No |
| | | Particulate matter | Organised | 47 | General discharge outlet | 5.58 | GB4915-2013 | 0.23 | | No |
| 70 | Yunnan Zhuangxiang Cement Co., Ltd. ^{Note} | Sulfur dioxide | Organised | 1 | Kiln tail | / | GB4915-2013 | / | 172.00 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | / | GB4915-2013 | / | 576.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | / | GB4915-2013 | / | 124.28 | No |
| | | Particulate matter | Organised | 41 | General discharge outlet | 7.70 | GB4915-2013 | 3.83 | | No |
| 71 | Tengchong Tengyue Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 2.35 | GB4915-2013 | 0.94 | 86.43 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 241.87 | GB4915-2013 | 84.31 | 775.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 7.42 | GB4915-2013 | 3.73 | 160.38 | No |
| | | Particulate matter | Organised | 95 | General discharge outlet | 7.29 | GB4915-2013 | 1.97 | | 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 ³) | 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 | 31.26 | Environmental impact evaluation approval document for construction project | 6.15 | 36.79 | No |
| | | Nitrogen oxides | Organised | 2 | Kiln tail of tunnel | 108.48 | Environmental impact evaluation approval document for construction project | 23.65 | 88.30 | No |
| | | Particulate matter | Organised | 2 | Kiln tail of tunnel | 3.09 | Environmental impact evaluation approval document for construction project | 0.62 | 11.04 | No |
| | | Particulate matter | Organised | 29 | General discharge outlet | 5.78 | GB16297-1996 | 0.80 | 6.78 | No |
| 73 | Naimanqi Hongji Cement Co., Ltd. | Sulfur dioxide | Organised | 1 | Kiln tail | 2.99 | GB4915-2013 | 2.11 | 118.80 | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | 260.38 | GB4915-2013 | 184.80 | 980.00 | No |
| | | Particulate matter | Organised | 2 | Kiln head and tail | 6.39 | GB4915-2013 | 7.21 | 444.92 | No |
| | | Particulate matter | Organised | 45 | General discharge outlet | 8.99 | GB4915-2013 | 13.33 | | No |
| 74 | Inner Mongolia Yuexing Environmental Protection Technology Co., Ltd. | Non-methane hydrocarbon | Organised | 2 | General discharge outlet | 1.56 | GB16297-1996 | / | / | No |
| | | Particulate matter | Organised | 4 | General discharge outlet | 9.13 | GB/T16157-1996 | / | / | No |
| | | Odor concentration | Organised | 2 | General discharge outlet | 1161.17 | GB/T14675-1993 | / | / | 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 ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 75 | Yangzhou Conch Cement Co., Ltd. | Particulate matter | Organised | 168 | General discharge outlet | 6.20 | DB32/4149-2021 | 6.07 | / | No |
| 76 | Zhenjiang Beigu Conch Cement Co., Ltd. | Particulate matter | Organised | 13 | General discharge outlet | 2.59 | DB32/4149-2021 | 0.53 | / | No |
| 77 | Jiangsu Baling Conch Cement Co., Ltd. | Particulate matter | Organised | 98 | General discharge outlet | 7.26 | DB32/4149-2021 | 6.35 | / | No |
| 78 | Ningbo Conch Cement Co., Ltd. | Particulate matter | Organised | 89 | General discharge outlet | 7.50 | DB33/1346-2023 | 8.22 | / | No |
| 79 | Xiangshan Conch Cement Co., Ltd. | Particulate matter | Organised | 122 | General discharge outlet | 6.74 | DB33/1346-2023 | 20.16 | / | No |
| 80 | Ninghai Qiangjiao Conch Cement Co., Ltd. | Particulate matter | Organised | 95 | General discharge outlet | 6.90 | DB33/1346-2023 | 18.58 | / | No |
| 81 | Shaoxing Shangyu Conch Cement Co., Ltd. | Particulate matter | Organised | 42 | General discharge outlet | 7.50 | DB33/1346-2023 | 4.85 | 21.50 | No |
| 82 | Taizhou Conch Cement Co., Ltd. | Particulate matter | Organised | 54 | General discharge outlet | 7.30 | DB33/1346-2023 | 11.94 | / | No |
| 83 | Yueqing Conch Cement Co., Ltd. | Particulate matter | Organised | 116 | General discharge outlet | 7.12 | DB33/1346-2023 | 13.56 | / | No |
| 84 | Anhui Changfeng Conch Cement Co., Ltd. | Particulate matter | Organised | 53 | General discharge outlet | 2.00 | DB34/3576-2020 | 0.82 | 38.01 | No |
| 85 | Bengbu Conch Cement Co., Ltd. | Particulate matter | Organised | 72 | General discharge outlet | 1.09 | DB34/3576-2020 | 0.75 | / | No |
| 86 | Bozhou Conch Cement Co., Ltd. | Particulate matter | Organised | 55 | General discharge outlet | 3.73 | DB34/3576-2020 | 1.72 | / | No |
| 87 | Ma'anshan Conch Cement Co., Ltd. | Particulate matter | Organised | 93 | General discharge outlet | 2.71 | DB34/3576-2020 | 3.18 | / | 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 | Average discharge concentration (mg/m ³) | Implemented standards for discharge of pollutants | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---|-----------------------------------|---|---------------------|
| 88 | Fujian Province Jiayang Conch Cement Co., Ltd. | Particulate matter | Organised | 29 | General discharge outlet | 4.25 | GB4915-2013 | 1.10 | / | No |
| 89 | Haimen Conch Cement Co., Ltd. | Particulate matter | Organised | 138 | General discharge outlet | 2.73 | DB32/4149-2021 | 13.28 | / | No |
| 90 | Huai'an Conch Cement Co., Ltd. | Particulate matter | Organised | 45 | General discharge outlet | 5.76 | DB32/4149-2021 | 5.00 | / | No |

Note: During the Reporting Period, clinker production systems of Guizhou New Shuanglong Cement Co., Ltd., Longling Conch Cement Co., Ltd. and Yunnan Zhuangxiang Cement Co., Ltd. were 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 | | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|----------------|-----------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|---|---------------------|
| | | | | | | Average discharge concentration (mg/m ³) | standards for discharge of pollutants | | | |
| 1 | Huangshan Conch Cement Co., Ltd. | Particulate matter | Organised | 65 | General discharge outlet | 2.03 | DB34/3576-2020 | 0.66 | / | No |
| 2 | Lu'an Conch Cement Co., Ltd. | Particulate matter | Organised | 77 | General discharge outlet | 1.48 | DB34/3576-2020 | 1.73 | / | No |
| 3 | Huainan Conch Cement Co., Ltd. | Particulate matter | Organised | 107 | General discharge outlet | 3.90 | DB34/3576-2020 | 11.00 | / | No |
| 4 | Taicang Conch Cement Co., Ltd. | Particulate matter | Organised | 53 | General discharge outlet | 3.10 | DB32/4149-2021 | 5.25 | / | No |
| 5 | Shanghai Conch Mingzhu Cement Co., Ltd. | Particulate matter | Organised | 32 | General discharge outlet | 5.77 | GB4915-2013 | 2.53 | 17.00 | No |
| 6 | Zhangjiagang Conch Cement Co., Ltd. | Particulate matter | Organised | 79 | General discharge outlet | 4.30 | DB32/4149-2021 | 9.41 | / | No |
| 7 | Taizhou Yangwan Conch Cement Co., Ltd. | Particulate matter | Organised | 148 | General discharge outlet | 7.20 | DB32/4149-2021 | 5.20 | / | No |
| 8 | Jiangxi Lushan Conch Cement Co., Ltd. | Particulate matter | Organised | 84 | General discharge outlet | 7.16 | GB4915-2013 | 21.57 | / | No |
| 9 | Jiangxi Ganjiang Conch Cement Co., Ltd. | Particulate matter | Organised | 105 | General discharge outlet | 7.98 | GB4915-2013 | 9.83 | / | No |
| 10 | Ningde Conch Cement Co., Ltd. | Particulate matter | Organised | 36 | General discharge outlet | 8.50 | DB35/1311-2013 | 4.26 | / | No |
| 11 | Jiangmen Conch Cement Co., Ltd. | Particulate matter | Organised | 119 | General discharge outlet | 5.37 | GB4915-2013 | 7.65 | / | 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 ³) | Implemented | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|--|--|----------------|-----------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|---|---------------------|
| | | | | | | | standards for discharge of pollutants | | | |
| 12 | Foshan Conch Cement Co., Ltd. | Particulate matter | Organised | 91 | General discharge outlet | 4.44 | GB4915-2013 | 6.57 | / | No |
| 13 | Zhanjiang Conch Cement Co., Ltd. | Particulate matter | Organised | 96 | General discharge outlet | 4.30 | GB4915-2013 | 6.94 | / | No |
| 14 | Wuhu Conch Plastic Products Company Limited | Non-methane hydrocarbon | Organised | 3 | General discharge outlet | 0.75 | DB13/2322-2016 | 0.14 | / | No |
| 15 | Jinxian Conch Cement Co., Ltd. | Particulate matter | Organised | 61 | General discharge outlet | 6.18 | GB4915-2013 | 16.69 | / | No |
| 16 | Nanchang Conch Cement Co., Ltd. | Particulate matter | Organised | 41 | General discharge outlet | 3.26 | GB4915-2013 | 24.14 | / | No |
| 17 | Maoming Dadi Cement Co., Ltd. | Particulate matter | Organised | 51 | General discharge outlet | 4.61 | GB4915-2013 | 2.81 | / | No |
| 18 | Huai'an Chuzhou Conch Cement Co., Ltd. | Particulate matter | Organised | 168 | General discharge outlet | 3.45 | DB32/4149-2021 | 5.95 | / | No |
| 19 | Guangyuan Conch Plastic Packaging Co., Ltd. | Particulate matter | Organised | 3 | General discharge outlet | 2.73 | HJ836-2017 | 0.02 | / | No |
| | | Non-methane hydrocarbon | Organised | | | 0.87 | HJ38-2017 | 0.01 | / | No |
| | | Odor concentration | Organised | | | 443.00 | GBT14675-1993 | / | / | No |
| 20 | Yingde Conch Plastic Packaging Company Limited | Particulate matter | Organised | 2 | General discharge outlet | 1.40 | DB44/27-2001 | 0.11 | / | No |
| | | Volatile organic compound | Organised | | | 2.34 | DB44/815-2010 | 0.19 | / | 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 | | Total amount of discharge (tonne) | Total amount of approved discharge (tonne/year) | Excessive discharge |
|-----|---|--|----------------|-----------------------------|-----------------------------------|--|---------------------------------------|-----------------------------------|---|---------------------|
| | | | | | | Average discharge concentration (mg/m ³) | standards for discharge of pollutants | | | |
| 21 | Jianghua Conch Plastic Packaging Company Limited | Non-methane hydrocarbon | Organised | 3 | General discharge outlet | 2.74 | DB34/1357-2017 | 0.08 | / | No |
| | | Particulate matter | Organised | 2 | General discharge outlet | 4.74 | DB34/1357-2017 | 0.23 | / | No |
| 22 | Anhui Ningchang Plastic Packaging Co., Ltd. | Particulate matter | Organised | 1 | General discharge outlet | 13.10 | GB31572-2012 | 0.03 | / | No |
| | | Non-methane hydrocarbon | Organised | 3 | General discharge outlet | 1.76 | GB31572-2012 | 0.14 | / | No |
| 23 | Baoji Conch Plastic Packaging Co., Ltd. | Non-methane hydrocarbon | Organised | 2 | General discharge outlet | 10.47 | DB61/T1061-2017 | 0.10 | / | No |
| 24 | Guiding Conch Plastic Packaging Co., Ltd. | Non-methane hydrocarbon | Organised | 2 | General discharge outlet | 1.19 | GB16297-1996 | 0.03 | / | No |
| | | Particulate matter | Organised | 2 | General discharge outlet | 1.75 | GB16297-1996 | 0.35 | / | No |
| 25 | Changjiang Conch Huangsheng Plastic Packaging Co., Ltd. | Non-methane hydrocarbon | Organised | 2 | General discharge outlet | 1.14 | GB31572-2015 | 0.05 | / | No |
| 26 | Chizhou Conch New Material Co., Ltd. | Particulate matter | Organised | 81 | General discharge outlet | 1.67 | GB16297-1996 | 3.80 | / | No |
| 27 | Jiangxi Yiyang Conch New Building Material Co., Ltd. | Particulate matter | Organised | 82 | General discharge outlet | 1.85 | GB16297-1996 | 1.02 | / | No |
| 28 | Chongqing Duoji Renewable Resources Co., Ltd. | Particulate matter | Organised | 39 | General discharge outlet | 8.90 | DB50/656-2023 | 9.95 | / | 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 | Implemented | Total | Excessive discharge | |
|-----|---|--|----------------|-----------------------------|-----------------------------------|--|---------------------------------------|-----------------------------|---------------------|---|
| | | | | | | discharge concentration (mg/m ³) | standards for discharge of pollutants | amount of discharge (tonne) | | amount of approved discharge (tonne/year) |
| 29 | Chifeng Conch Cement Co., Ltd. | Particulate matter | Organised | 24 | General discharge outlet | 15.04 | GB4915-2013 | 3.81 | / | No |
| | | Sulfur dioxide | Organised | 1 | General discharge outlet | 42.50 | GB4915-2013 | 32.92 | / | No |
| | | Nitrogen oxides | Organised | 1 | General discharge outlet | 94.00 | GB4915-2013 | 78.30 | / | No |
| 30 | Tongchuan Conch New Material Co., Ltd. | Particulate matter | Organised | 1 | General discharge outlet | 6.55 | DB61/941-2018 | 1.66 | / | No |
| 31 | Naimanqi Xingta Renewable Resources Co., Ltd. ^{Note} | Particulate matter | Organised | 1 | Kiln tail | / | GB31573-2015 | / | / | No |
| | | Sulfur dioxide | Organised | 1 | Kiln tail | / | GB31573-2015 | / | / | No |
| | | Nitrogen oxides | Organised | 1 | Kiln tail | / | GB31573-2015 | / | / | No |
| | | Sulfur dioxide | Organised | 1 | Vertical mill | 9.00 | GB16297-1996 | / | / | No |
| | | Nitrogen oxides | Organised | 1 | Vertical mill | 67.00 | GB16297-1996 | / | / | No |
| | | Particulate matter | Organised | 1 | Vertical mill | 14.10 | GB16297-1996 | / | / | No |
| | | Particulate matter | Organised | 16 | General discharge outlet | / | GB31573-2015 | / | / | No |
| 32 | Fenyi Conch Construction Materials Co., Ltd. | Particulate matter | Organised | 43 | General discharge outlet | 33.58 | GB16297-1996 | 13.10 | / | No |
| | | Particulate matter | Organised | 4 | General discharge outlet | 10.27 | GB16297-1996 | / | / | No |
| 33 | Mengcheng Conch | Particulate matter | Organised | 75 | General discharge outlet | 3.30 | DB34/3576-2020 | 0.58 | / | No |
| 34 | Nantong Conch Cement Co., Ltd. | Particulate matter | Organised | 59 | General discharge outlet | 1.50 | DB32/4149-2022 | 2.96 | / | No |

Note: During the Reporting Period, the lime kiln system of Naimanqi Xingta Renewable Resources Co., Ltd. was not in production and operation, and did not emit pollutants.

6. Environmental and Social Responsibilities

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 coordination 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.

During the Reporting Period, in terms of reducing nitrogen oxide emissions, the Group had completed selective catalytic reduction (hereinafter referred to as "SCR") denitration technological modification for 8 clinker production lines. As of the end of the Reporting Period, the Group had completed SCR denitration technological modification for a total of 89 clinker production lines, achieving an ultra-low emission rate for nitrogen oxides after technological modification. In terms of reducing sulfur dioxide emission, the Group has extended and continued to promote the construction of wet desulfurization project for 4 clinker production lines. As at the end of the Reporting Period, the ancillary wet desulfurization projects for a total of 40 clinker production lines had been in operation. The average emission concentration of sulfur dioxide is controlled below 35mg/m³. In terms of particulate matter emission reduction, the Group had comprehensively completed the technological modification of replacement of electric dust collection with bag dust collection, achieving full coverage of replacement of electric dust collection with bag dust collection at the kiln head and kiln tail. After technological modification, the average emission concentration of particulate matter is less than 10mg/m³, which is better than the national and local emission standards. During the Reporting Period, a total of 3 subsidiaries 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 24 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 energy conservation and carbon reduction, the Group earnestly implemented the requirements of national carbon peak and carbon neutral policies, and promoted the implementation of carbon emission reduction projects in an orderly manner in accordance with the Company's medium-term and long-term route for reduction of carbon emission. During the Reporting Period, the Group continuously promoted the technological modification for comprehensive energy efficiency improvement. After the modification, the production line can reach the first-class standard of comprehensive energy consumption per unit product of clinker as set out in the Norm of Energy Consumption per Unit Product of Cement. At the same time, the Group made use of advanced energy-saving and emission-reduction technology and equipment in the industry, extensively implemented high-efficiency fans and new insulative nanomaterials and actively adopted coal-burning accelerants to reduce energy consumption indicators in all respects, so as to reduce carbon dioxide emissions. The Group has accelerated the promotion of using alternative fuels, and combining with the surrounding supply chain, urged its subsidiaries to expand the use of alternative fuels according to local conditions. The ratio of alternative fuel consumption to coal consumption continued to increase and the carbon dioxide emissions from the combustion of fossil fuels further reduced. The Group actively explored the area of new energy sources, accelerated the development of new energy industry chain, and continued to promote the construction of integrated photovoltaic industry projects in Fengyang County, Chuzhou City. The Group has continued to strengthen the research and development of advanced technologies for carbon reduction, and actively explored cutting-edge technologies in the fields of energy saving, carbon reduction and carbon dioxide utilization. The Group cooperated with Xi'an University of Architecture and Technology to build a new low-carbon cementitious material project in Fenghuangshan Cement, cooperated with Sichuan University to develop the integrated technology for desulfurization, decarbonization and mineralization of solid waste gypsum, and installed and commissioned a small-scale desulfurization, decarbonization and mineralization device in Tongling Conch.

6. Environmental and Social Responsibilities

All the subsidiaries of the Group have implemented the environmental assessment procedure and applied for 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 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 that 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

During the Reporting Period, due to the violation of the Regulations on the Administration of Environmental Protection for Construction Project (《建設項目環境保護管理條例》) during the project construction, Feixi Conch New Material Co., Ltd., a subsidiary of the Company, received an administrative penalty decision issued by Hefei City Ecological Environment Bureau, and a fine of RMB200,000 was imposed.

Save as disclosed above, during the Reporting Period, the Group was not subject to other administrative penalties due to environmental issues that shall be disclosed.

6. Environmental and Social Responsibilities

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

The Group attached importance to the bearing of social responsibility, it continued to consolidate and expand its achievements in poverty alleviation, and made proactive contributions to serving the national rural revitalization strategy.

The Group persisted in selecting and sending outstanding cadres to carry out pairing-off assistance work in areas such as 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, Anhui Province. Taking industrial revitalization as a starting point, the Group actively coordinated external resources to organize professional training in agricultural knowledge, and cultivated major breeders and technical experts, injecting “impetus” into rural revitalization. The Group made great efforts to solve the connection between production and sales, actively expanded the consumption channels of high-quality agricultural and sideline products in the assisted regions, and promoted the introduction of assisted products in the staff canteen and staff welfare procurement list, with a cumulative purchase amount of RMB2.88 million during the Reporting Period. The Group promoted the improvement of people’s livelihood and well-being. By carrying out village cleaning actions and improving infrastructure, the living environment in the regions assisted by the Group have been significantly improved. In addition, the Group made in-depth visits and condolences to key groups such as households enjoying five guarantees, poverty alleviation households under supervision and households on the verge of poverty.

6. Environmental and Social Responsibilities

The Group fully leveraged on its own industry characteristics. 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 the principle of 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 and oriented at the ecological environment-friendly and effective use of resources. The Group continuously carried out restoration treatment towards ecological environment, attached great importance to the preservation of biodiversity and persistently promoted the construction of green factory and green mine. The Group also made great effort to build digital and smart mines, pushed the changes of production and life style, so as to build villages 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 CONTROLLING SHAREHOLDERS 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 its controlling shareholders and other related parties.

(2) NON-COMPLIANCE IN PROVIDING GUARANTEES

During the Reporting Period, no external guarantee was 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 (the “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 RMB20.5763 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.

7. Significant Events

(2) *Transactions with Haihui Company– receiving supply chain logistic transportation service*

On 29 December 2023, the Company and Haihui Company entered into the Supply Chain Logistic Transportation Service Contract, with a validity period from 1 January 2024 to 31 December 2024. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for the Group’s cement, clinker, aggregate and other products. The aggregate transaction amount (i.e. the annual cap) was estimated to be not more than RMB2.3 billion.

The estimated aggregate transaction amount under the Supply Chain Logistic Transportation Service Contract was determined mainly after taking into account the reasonable estimation of the transportation volume (with reference to the production and transportation volume of various products in the year of 2023) according to the Group’s production plans for cement, clinker, aggregate, coal and other products for the year of 2024, and the transportation unit price of various types of 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 transportation 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 as quoted in the successful bid. In addition, the Company had also made reference to the historical transaction amounts in 2022 and 2023 when determining the estimated aggregate transaction amounts 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 RMB1,173 million.

7. Significant Events

Haihui Company is a non wholly-owned subsidiary of the Company. As at the date of entering into the Supply Chain Logistic Transportation Service Contract, the Company, Conch New Material and Conch IT Engineering held 65.6%, 20% and 10% of its registered capital respectively, while Beijing Huitong Tianxia IOT Technology Co., Ltd. held 4.4% of its registered capital, both Conch New Material and Conch IT Engineering were subsidiaries of Conch Holdings. Accordingly, each of Conch New Material and Conch IT Engineering was an associate of Conch Holdings and hence a connected person of the Company. Pursuant to Chapter 14A of the HKSE Listing Rules, Haihui Company was 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 on 29 December 2023. According to the SSE Listing Rules, Haihui Company is not a connected party of the Company, and hence the aforementioned transactions do not constitute connected transactions for the Company as prescribed under the SSE Listing Rules.

(3) *Transactions with Conch Technology – procurement of admixtures*

On 2 January 2024, the Company and Conch Technology entered into the Procurement of Admixtures Framework Agreement, with a validity period from 1 January 2024 to 31 December 2024, pursuant to which, the Group agreed to procure admixtures products from Conch Technology, its branches and its subsidiaries (hereinafter referred to as “Conch Technology Group”). The annual cap for the transactions under the Procurement of Admixtures Framework Agreement shall be RMB860 million.

7. Significant Events

The annual cap for the transactions under the Procurement of Admixtures Framework Agreement was determined mainly after taking into account the estimated total procurement quantity of admixture products according to the Group's cement and concrete production plan for the year of 2024 and the unit prices of the admixture products as determined based on the results of the tender or price enquiry and comparison and upon arm's length negotiation between the parties. The unit prices of the admixture products shall be determined by the parties by one of the following manners: (i) by tender: the Group shall conduct open tenders or invite tenders from at least three potential suppliers (including Conch Technology and other independent third parties) offering similar admixture products. The successful tenderer shall achieve the highest or best overall rating results. The unit prices of the admixture products under the individual sub-contracts of the Procurement of Admixtures Framework Agreement shall be determined with reference to the results of the tenders; or (ii) by price enquiry and comparison and upon negotiation: the Group shall obtain fair market prices of the products by conducting price inquiry and comparison from at least four potential suppliers (including Conch Technology and other independent third parties) offering similar admixture products. The Group and Conch Technology shall determine the unit prices of the products after arm's length negotiations on normal commercial terms, and such unit prices shall not be higher than the prices of similar admixture products procured by the Group from Conch Technology Group for the year 2023 by way of tender, and not higher than the prices of similar admixture products procured by the Group from independent third party suppliers for the year 2023. In addition, when determining the annual cap for the transactions under the Procurement of Admixtures Framework Agreement, the Company had also made reference to the historical transaction amounts for procurement of cement admixtures and concrete admixtures by the Group from 2021 to 2023.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Procurement of Admixtures Framework Agreement was RMB383 million.

7. Significant Events

As at the date of entering into the Procurement of Admixtures Framework Agreement, Conch Holdings, a controlling shareholder of the Company, held 100% shares in Conch Tech Innovation Material, and Conch Tech Innovation Material held 48.62% shares in Conch Technology. Therefore, Conch Technology is an associate of Conch Holdings and hence a connected person of the Company. Pursuant to Chapter 14A of the HKSE Listing Rules, the transactions contemplated under the Procurement of Admixtures Framework Agreement constitute continuing connected transaction for the Company. According to the SSE Listing Rules, Conch Technology is also a connected party of the Group and the transactions under the Procurement of Admixtures Framework Agreement also constitute connected transactions as prescribed under the SSE Listing Rules. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 2 January 2024 and the announcement published by the Company on the website of the SSE on 3 January 2024.

(4) *Transactions with Conch Accelerants Manufacturing High-tech Company – procurement of combustion accelerants*

On 19 January 2024, the Company and Conch Accelerants Manufacturing High-tech Company entered into the Combustion Accelerants Procurement Contract, with a validity period from 19 January 2024 to 31 December 2024. Pursuant to the contract, the Group would procure combustion accelerants from Conch Accelerants Manufacturing High-tech Company. The aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants Procurement Contract was estimated to be not more than RMB103 million.

7. Significant Events

The estimated aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants Procurement Contract was determined mainly after taking into account the estimated total procurement quantity of combustion accelerants according to the Group's production plan for cement and clinker for the year of 2024 and the unit price of combustion accelerant products. The unit price for procurement of the combustion accelerant products under the Combustion Accelerants Procurement Contract was determined based on the following factors: with reference to (i) the product unit price under the Combustion Accelerants Procurement Contract entered into between the Company and Conch Accelerants Manufacturing Company on 25 August 2022 (the "August 2022 Procurement Contract") (such product unit price was determined based on the results of the open tender and was adjusted downward upon negotiations), and in order to maximise the Group's benefits from the procurement by lowering its procurement costs, after arm's length negotiation between the parties, the parties agreed that the final unit price under the Combustion Accelerants Procurement Contract would be adjusted downward by approximately 25% of the product unit price under the August 2022 Procurement Contract; and (ii) the selling prices of similar products offered by Conch Accelerants Manufacturing Group to two of its independent third party customers during the year of 2024, which shall not be lower than the unit price of the combustion accelerant products offered to the Group by Conch Accelerants Manufacturing High-tech Company. In addition, the Company had also made reference to the historical transaction amounts for procurement of the combustion accelerants in 2022 and 2023 when determining the estimated aggregate transaction amount (i.e. the annual cap) under the Combustion Accelerants Procurement Contract.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Combustion Accelerants Procurement Contract was RMB9.7609 million.

7. Significant Events

Conch Holdings, a controlling shareholder of the Company, holds 100% equity interests in Conch Tech Innovation Material. Conch Tech Innovation Material holds 100% equity interests in Conch Accelerants Manufacturing Company. Conch Accelerants Manufacturing Company holds 100% equity interests in Conch Accelerants Manufacturing High-tech Company. Therefore, Conch Accelerants Manufacturing High-tech Company is an associate of Conch Holdings and hence a connected person of the Company. Pursuant to Chapter 14A of the HKSE Listing Rules, the transactions contemplated under the Combustion Accelerants Procurement Contract constitute continuing 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 19 January 2024. According to the SSE Listing Rules, Conch Accelerants Manufacturing High-tech Company is also a connected party of the Company, and the transactions under the above contract also constitute connected transactions for the Company as prescribed under the SSE Listing Rules. However, as the transaction amount of the above contract had 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 aforesaid transactions on the website of the SSE.

(5) *Transactions with Conch Technology and Conch New Material – supplying supply chain logistic transportation service*

On 29 December 2023, Haihui Company and Conch Technology entered into the Supply Chain Logistic Transportation Service Framework Contract (the “Conch Technology Transportation Service Framework Contract”), with a validity period from 1 January 2024 to 31 December 2024. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for products of Conch Technology such as admixture products. The aggregate transaction amount (i.e. the annual cap) was estimated to be not more than RMB26 million.

On 19 January 2024, Haihui Company and Conch New Material entered into the Supply Chain Logistic Transportation Service Contract (the “Conch New Material Transportation Service Contract”), with a validity period from 19 January 2024 to 31 December 2024. Pursuant to the contract, Haihui Company would provide supply chain logistic transportation service for the plastic steel, aluminum alloy profiles and raw materials, etc. of Conch New Material. The aggregate transaction amount (i.e. the annual cap) was estimated to be not more than RMB61 million.

7. Significant Events

The respective contract prices of the Conch Technology Transportation Service Framework Contract and the Conch New Material Transportation Service Contract were determined mainly based on the transportation volume which was reasonably estimated according to the production plan for the relevant products of Conch Technology and Conch New Material for the year of 2024 (with reference to the production and transportation volume of various types of products in 2023), the historical transportation unit price for the services provided by Haihui Company, and the transportation unit price of various types of products, as determined through open tender to be conducted by the relevant subsidiaries of Conch Technology and Conch New Material through Haihui Company. During the process of open tender through Haihui Company, the relevant subsidiaries of Conch Technology or Conch New Material shall, based on factors including the quantity of consigned products, mode of transportation and transportation distance, review and compare the transportation 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 Conch Technology or Conch New Material may further negotiate with the successful bidder through Haihui Company on an arm's length basis, and to determine the final transportation unit price. In addition, the Group had also made reference to the historical transaction amount in 2023 when determining the estimated aggregate transaction amount (i.e. the annual cap) under the Conch Technology Transportation Service Framework Contract and more subsidiaries of Conch Technology were expected to utilize the Haihui Supply Chain Logistic Platform in 2024. The Group had also made reference to the historical transaction amount from 2022 to 2023 when determining the estimated aggregate transaction amount (i.e. the annual cap) under the Conch New Material Transportation Service Contract, and it was expected that Conch New Material would increase the use of the supply chain logistic transportation service provided by Haihui Company in the year 2024 in terms of both product types and product volume.

During the Reporting Period, the actual transaction amount (inclusive of tax) under the Conch Technology Transportation Service Framework Contract was RMB4.2257 million and the actual transaction amount (inclusive of tax) under the Conch New Material Transportation Service Contract was RMB20.0588 million.

7. Significant Events

Haihui Company is a non-wholly owned subsidiary of the Company. As at the date of entering into the Conch New Material Transportation Service Contract, Conch Holdings held 30.63% of the shares of Conch New Material, and Conch Holdings indirectly held approximately 48.62% of the shares of Conch Technology through its wholly-owned subsidiary, Conch Tech Innovation Material. Accordingly, each of Conch New Material and Conch Technology is an associate of Conch Holdings and hence a connected person of the Company. The transactions contemplated under the Conch Technology Transportation Service Framework Contract and the Conch New Material Transportation Service Contract thus constituted continuing connected transactions for the Company under Chapter 14A of the HKSE Listing Rules. For details, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 19 January 2024. According to the SSE Listing Rules, each of Conch New Material and Conch Technology is a connected party of the Group, and the transactions under the above two contracts also constitute connected transactions for the Company as prescribed under the SSE Listing Rules. However, as the aggregate amount of the two contracts had 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 aforesaid transactions on the SSE website according to the SSE Listing Rules.

2. Transactions with Conch Design Institute – receiving engineering project design and technology service, SCR denitration technology modification service

(1) Engineering project design and technology service

On 13 May 2024, the Company and Conch Design Institute entered into the Engineering Project Design and Technology Service Contract, pursuant to which Conch Design Institute would provide engineering design and/or technology modification services for projects such as aggregate, manufactured sand, commodity concrete, dry mix mortar, grinding stations, slag powder transit project and comprehensive projects of certain subsidiaries of the Company, as well as large-scale special modification projects and engineering consulting service of the Company. The contract price amounted to RMB111.67 million.

7. Significant Events

The contract price of the Engineering Project Design and Technology Service Contract was determined with reference to the requirements of 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 the 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 Information on the Cost Components of Engineering Survey Service (2022 Edition) (《工程勘察服務成本要素信息(2022版)》) published by China Engineering & Consulting Association, as well as the characteristics of the Group’s engineering construction projects, and 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.

During the Reporting Period, the Group had not incurred any transaction amount in relation to the Engineering Project Design and Technology Service Contract. 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 transactions relating to engineering project design and technology services between the Group and Conch Design Institute during the Reporting Period amounted to RMB118 million.

(2) SCR denitration technology modification service

On 2 January 2024, the Company and Conch Design Institute entered into the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract (the “January 2024 SCR Denitration General Contract”), pursuant to which Conch Design Institute would provide engineering design, technology calibration and equipment supply and adjustment services for the SCR denitration technology modification projects for seven clinker production lines of certain subsidiaries of the Company. The contract price amounted to RMB56.70 million.

On 13 May 2024, the Company and Conch Design Institute entered into the SCR Denitration Project Engineering Design and Equipment Supply (EP) General Contract (the “May 2024 SCR Denitration General Contract”), pursuant to which Conch Design Institute would provide engineering design, technology calibration, equipment supply and adjustment services for the SCR denitration technology modification projects for four clinker production lines of certain subsidiaries of the Company. The contract price amounted to RMB34.70 million.

7. Significant Events

The contract prices of the January 2024 SCR Denitration General Contract and the May 2024 SCR Denitration General Contract were 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 two 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 January 2024 SCR Denitration General Contract was RMB42.2450 million; the transaction amount (inclusive of tax) in relation to the execution of the May 2024 SCR Denitration General Contract was RMB17.4232 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 transactions relating to SCR denitration technology modification services between the Company and Conch Design Institute during the Reporting Period amounted to RMB111 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. Therefore, pursuant to Chapter 14A of the HKSE Listing Rules, the transactions contemplated under the Engineering Project Design and Technology Service Contract, the January 2024 SCR Denitration General Contract and the May 2024 SCR Denitration General Contract constituted connected transactions for the Company. For details about the abovementioned three contracts, please refer to the announcement published by the Company on the websites of the Stock Exchange and the Company on 13 May 2024. According to the SSE Listing Rules, Conch Design Institute is also a connected party of the Company and the transactions under the abovementioned three contracts also constituted connected transactions as prescribed under the SSE Listing Rules. However, as the aggregate contract amount of the contracts (including the abovementioned three contracts) 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

3. Transactions with Conch Design Institute – receiving 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 (the “two Preheater Sale and Purchase Contracts”), pursuant to which Conch Design Institute provided Grade-6 preheater equipment design and supply service for the clinker production lines of two subsidiaries of the Company, respectively. The contract price of each contract amounted to RMB32.00 million and the total contract prices of the two Preheater Sale and Purchase Contracts amounted to RMB64.00 million.

The contract price 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 of the contract was reduced by about 10% of the price quoted in the open tender, 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 RMB6.40 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 two Preheater Sale and Purchase Contracts constituted 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 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 two Preheater Sale and Purchase Contracts also constituted connected transactions. However, as the aggregate contract amount of the contracts (including the abovementioned contracts) entered into by the Group and Conch Design Institute within 12 consecutive months had 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.

7. Significant Events

(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.
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 subsidiaries of the Company to other subsidiaries amounted to RMB152 million in aggregate, 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 | Qingyuan Conch Environmental Protection Technology Co., Ltd. ("Qingyuan Conch Environmental Protection") | Conch Environment Group | 54.9% | 75,000 | 7 years | 2024.1.8 | China Merchants Bank, Wuhu Branch |
| 2 | Lanzhou Haizhong Environmental Protection Technology Co., Ltd. | Anhui Haizhong Environmental | 100% | 50,000 | 8 years | 2024.1.29 | Bank of China, Lanzhou Anning Central Branch |
| 3 | Fuping Conch Environmental Protection Technology Co., Ltd. | Conch Environment Group | 60% | 17,000 | 1 year | 2024.2.28 | China Merchants Bank, Xi'an Branch |
| 4 | Fujian Sanming Haizhong Environmental Protection Technology Co., Ltd. | Anhui Haizhong Environmental | 100% | 10,000 | 1 year | 2024.6.28 | Industrial Bank, Sanming Branch |
| Total | | | | 152,000 | | | |

Note: The guarantors provided full guarantee on a 100% basis for the guaranteed companies, among which, Qingyuan Conch Environmental Protection provided counter-guarantee to Conch Environment Group through asset pledge.

7. Significant Events

During the Reporting Period, the Company did not provide any external guarantees, 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 RMB152 million.

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 RMB2,853.03 million (comprising RMB1,248.11 million and USD224.99 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 RMB3,303.74 million, and the aggregate amount of guarantees amounted to RMB6,156.77 million, representing 3.35% of the net assets of the Group as at the end of the Reporting Period, of which the aggregate balance of guarantees provided to subsidiaries amounted to RMB5,276.41 million and that to joint ventures amounted to RMB880.36 million.

During the Reporting Period, the amount of guarantees provided by the Group to companies with a gearing ratio of over 70% amounted to RMB75.00 million.

As at the end of the Reporting Period, save for the provision of guarantee to PT SDIC Papua Cement Indonesia (hereinafter referred to as "Papua Cement"), a joint venture, the Group did not provide guarantee for its controlling shareholders, de facto controllers, other related parties of the Company 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.

Note: Except for the guarantee amount of USD19.6 million provided to Papua Cement in 2023, which was converted at the mid-point exchange rate on the date of its drawdown as agreed with China CITIC Bank International, the amount presented in RMB for the USD-denominated loans guaranteed by the Group 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 2024.

7. Significant Events

(9) PENALTIES AND/OR REMEDIES IN RELATION TO THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT MEMBERS, CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Company, its then and current Directors, Supervisors, senior management members, controlling shareholders and de facto controllers was subject to any penalties and/or remedies by competent authorities.

(10) STATUS OF INTEGRITY OF THE COMPANY, ITS CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

During the Reporting Period, none of the Company, its controlling shareholders and de facto controllers 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

Since the publication of the annual report of the Company for the year ended 31 December 2023, as at the end of the Reporting Period and up to the date of publication of this interim report, there has been no event or changes to the affairs of the Group 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 | | | | |
| 1. Shares subject to trading restrictions | - | - | - | - | - | - | - | |
| 1. State-owned legal person shares | - | - | - | - | - | - | - | |
| 2. Other domestic shares | - | - | - | - | - | - | - | |
| 2. Shares not subject to trading restrictions | 5,299,302,579 | 100 | - | - | - | 5,299,302,579 | 100 | |
| 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 | |
| 3. Total number of shares | 5,299,302,579 | 100 | - | - | - | 5,299,302,579 | 100 | |

8. Changes in Shares and Shareholders

(2) SHAREHOLDERS

As at the end of the Reporting Period, the total number of registered shareholders of the Company was 264,950, of which 122 were registered holders of H Shares. The shareholdings of the top ten registered shareholders of the Company (excluding shares lent through refinancing) as at the end of the Reporting Period are set out as follows:

| Name of registered shareholder | Nature of shareholder | Increase or decrease during the Reporting Period (share) | Number of shares held at the end of the Reporting Period (share) | Percentage of shareholding (%) | Class of shares | Pledged or frozen Status | Number of shares (share) |
|---|---------------------------------------|--|--|--------------------------------|-----------------|--------------------------|--------------------------|
| 1. Conch Holdings ^(Note 1) | State-owned legal person | - | 1,928,870,014 | 36.40 | A Share | Nil | - |
| 2. HKSCC Nominees Limited ^(Note 2) | Foreign legal person | -42,620 | 1,297,979,090 | 24.49 | 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 | 53,337,110 | 141,637,985 | 2.67 | A Share | Unknown | Unknown |
| 5. Central Huijin Asset Management Ltd. | State-owned legal person | - | 68,767,400 | 1.30 | A Share | Unknown | Unknown |
| 6. Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund | Others | 10,424,900 | 28,210,792 | 0.53 | A Share | Unknown | Unknown |
| 7. Guosen Securities Co., Ltd. | Others | 1,046,814 | 19,579,515 | 0.37 | A Share | Unknown | Unknown |
| 8. China Construction Bank Corporation – E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund | Others | 13,893,400 | 18,924,578 | 0.36 | A Share | Unknown | Unknown |
| 9. Perseverance Asset Management LLP (Limited Partnership) – Gaoyi Linshan No. 1 Foresight Fund | Others | Unknown | 17,500,000 | 0.33 | A Share | Unknown | Unknown |
| 10. Anhui Conch Venture Group Co., Ltd. | Domestic non-state-owned legal person | - | 16,531,300 | 0.31 | 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, freezing order or trust.
- (2) As at the end of the Reporting Period, HKSCC Nominees Limited held 1,297,979,090 H Shares, representing 24.49% of the total share capital of the Company, and 99.88% of the issued H Shares of the Company. These shares were held on behalf of its various clients.
- (3) All the above shares are floating shares not subject to trading restrictions.
- (4) The Board is not aware of any connected relationship or acting in concert relationship among the above-mentioned shareholders.
- (5) Shareholding in the Company's designated securities account for repurchase is not shown in the above table. As at the end of the Reporting Period, the number of A Shares held in the Company's designated securities account for repurchase was 22,242,535, accounting for 0.42% of the Company's total issued share capital.

Shares lent through refinancing by shareholders with more than 5% shareholding, the top 10 shareholders and the top 10 shareholders without restrictions on trading:

| Name of shareholder | Shares in ordinary account and credit account at the beginning of the Reporting Period | | Shares lent through refinancing and not been returned at the beginning of the Reporting Period | | Shares in ordinary account and credit account at the end of the Reporting Period | | Shares lent through refinancing and not been returned at the end of the Reporting Period | |
|--|--|-------------------|--|-------------------|--|-------------------|--|-------------------|
| | Total | | Total | | Total | | Total | |
| | number of shares (Share) | Percentage (%) | number of shares (Share) | Percentage (%) | number of shares (Share) | Percentage (%) | number of shares (Share) | Percentage (%) |
| Industrial and Commercial Bank of China Limited – Huatai Borui CSI 300 Trading Open-end Index Securities Investment Fund | 17,785,892 | 0.34 | 44,100 | 0.00 | 28,210,792 | 0.53 | 7,200 | 0.00 |
| China Construction Bank Corporation – E Fund CSI 300 Trading Open-end Index Initiating Securities Investment Fund | 5,031,178 | 0.09 | 19,600 | 0.00 | 18,924,578 | 0.36 | 0 | 0.00 |

8. Changes in Shares and Shareholders

(3) SUBSTANTIAL SHAREHOLDERS

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

| Name of shareholder | Number of ordinary shares held | Nature of interest | Percentage of shareholding of the relevant class of shares | Percentage of shareholding of all issued shares |
|---|--|--------------------------------------|---|--|
| Conch Holdings | 1,928,870,014 A Shares (long position) (Note 1) | Beneficial owner | 48.23% (Note 2) | 36.40% |
| 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) | 36.40% |
| Conch Venture Enterprise | 1,928,870,014 A Shares (long position) (Note 1) | Interest of a controlled corporation | 48.23% (Note 2) | 36.40% |
| Conch Venture | 1,928,870,014 A Shares (long position) (Note 1) | Interest of a controlled corporation | 48.23% (Note 2) | 36.40% |
| Taiwan Cement Corporation | 116,568,000 H Shares (long position) (Note 4) | Interest of a controlled corporation | 8.97% (Note 3) | 2.20% |
| Lazard Asset Management LLC | 79,758,923 H Shares (long position) (Note 5) | Investment manager | 6.14% (Note 3) | 1.51% |

8. Changes in Shares and Shareholders

Notes:

- (1) Anhui Provincial Investment Group Holdings Co., Ltd. (“Anhui Provincial Investment Group”) and Conch Venture Enterprise held 51% and 49% of the equity interests in Conch Holdings, respectively. Conch Venture Enterprise 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 Enterprise, 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 correspondingly.
- (5) Based on the disclosure of interests form submitted by Lazard Asset Management LLC on 6 June 2024 in respect of the relevant event that occurred on 31 May 2024, these shares were held by Lazard Asset Management LLC in the capacity of an investment manager.

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 AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

On 3 November 2023, in order to safeguard the value of the Company and the interests of the shareholders of the Company, the Board considered and approved the Resolution on the Plan of Repurchase of A Shares of the Company through Centralized Price Bidding (hereinafter referred to as the “Repurchase”). Pursuant to the Repurchase plan, the total amount of funds for the Repurchase shall be no less than RMB400 million and no more than RMB600 million and the upper limit of the price for the Repurchase shall be RMB32.30 per share, the period for the Repurchase shall be three months from the date on which the Board considered and approved the Repurchase plan. The repurchased shares will be sold through centralized price bidding in accordance with relevant laws, regulations and normative documents. If the Company fails to complete the sale of the repurchased shares within three years after completion of the Repurchase, the unsold portion will be cancelled after complying with the relevant legal procedures. For details, please refer to the announcements published by the Company on the websites of the Stock Exchange and the Company on 3 November 2023, and on the website of the SSE on 4 November 2023, respectively.

8. Changes in Shares and Shareholders

During the Reporting Period, the Company had repurchased 7,177,535 A Shares in total through centralized price bidding under the trading system of the SSE, representing 0.14% of the Company's total share capital as of the date of publication of this report, and the total amount paid was RMB161,428,057.17 (excluding transaction fees). As at the end of the Reporting Period, the Company has completed the Repurchase and has repurchased 22,242,535 A Shares in total (being the number of treasury shares held by the Company as at the end of the Reporting Period). The said repurchased shares have not been sold or cancelled.

Save as disclosed above, during the Reporting Period, neither the Company nor any of its subsidiaries has repurchased, 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 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.

(6) NUMBER OF SHARES OF THE COMPANY HELD BY DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT MEMBERS DURING THE REPORTING PERIOD AND CHANGES

| Name | Position | Number of shares held as at 31 December 2023 (share) | Increase/decrease in number of shares during the Reporting Period (share) | Number of shares held as at 30 June 2024 (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.

8. Changes in Shares and Shareholders

(7) INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

As at the end of the Reporting Period, the interests and short positions held by Directors, Supervisors, chief executive of the Company and their respective close associates (as defined in the HKSE Listing Rules) in the shares, 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 total issued shares (percentage of shareholding of the relevant class of shares) |
|--------------|---|--|---|-------------------------------------|--|
| Liu Tiantian | Staff representative Supervisor | Conch Cement | Beneficial owner | 63,500 | 0.00% |
| | | | | (H Shares) | (0.00%) |
| | | Conch Environment Protection | Beneficial owner | 2,031,939 | 0.11% |
| Li Qunfeng | Executive Director and general manager | Conch | Beneficial owner | 2,050,000 | 0.11% |
| | | Environment Protection | Interest held jointly with other persons ^{Note} | 481,412,011 | 26.35% |
| He Chengfa | Supervisor cum chairman of the Supervisory Committee | Conch | Beneficial owner | 22,641,843 | 1.24% |
| | | Environment Protection | Interest of spouse | 431,500 | 0.02% |
| Chen Yongbo | Supervisor | Conch Environment Protection | Beneficial owner | 521,000 | 0.03% |

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

8. Changes in Shares and Shareholders

Save as disclosed 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 C1 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 in relation to securities transactions by Directors during the Reporting Period.

(10) STAFF AND REMUNERATION

As at the end of the Reporting Period, the Group had 50,024 employees with a total remuneration of approximately RMB4,042 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 of organizational performance and individual performance 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 provided all-round, multi-level and wide-ranging talent training for all employees. 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. The Company has built an employee training center, meticulously built a team of high-level lecturers, and condensed years of practical experience to prepare featured training materials. During the Reporting Period, nearly 400 people participated in professional theoretical studies, practical operations and skills upgrading training in the employee training center. In order to adapt to the transformation of the Company’s green and intelligent development, the Group integrated talent resources in various regions, and established and improved the mechanism of job transfer training and competitive recruitment. In light of the actual training needs of employees, the Group’s subsidiaries regularly carried out employee training, so as to secure adequate reserve of human resources for stable production and effective management and control. In addition, the Group has always attached importance to the cultivation of applied technical talents, encouraged employees to learn by organizing skills competitions for employees, and carried out job skills upgrading for cement technology specialties. During the Reporting Period, the identification of skilled talents has completed for 676 persons.

(11) CHANGE IN CONTROLLING SHAREHOLDERS AND DE FACTO CONTROLLERS

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

9. Information on Bonds

(I) 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, the Company applied to the National Association of Financial Market Institutional Investors of the PRC (the “NAFMII”) for registration of issuing medium-term notes of not more than RMB10 billion (inclusive). In October 2022, the NAFMII agreed to accept the Company’s registration for the issue of the medium-term notes, with a total registration amount of RMB10 billion. The registration amount will be valid for two years from 14 October 2022. During the Reporting Period, the Company issued medium-term notes with an aggregate amount of RMB3 billion with details below:

| Name of bond | Short name | Code | Issuance date | Value date | Maturity date | Balance of bond (RMB billion) | Interest rate (%) | Mode of repayment of principal and interest | Trading market | Investor suitability arrangements (if any) | Trading mechanism | Whether the risk of termination of listing exists |
|---|-------------------------|-----------|---------------|------------|---------------|-------------------------------|-------------------|--|--------------------------------|--|-------------------|---|
| First Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024 | 24 Conch Cement (Green) | 102481853 | 2024.4.26 | 2024.4.29 | 2027.4.29 | 1.5 | 2.20 | Interest is payable annually, and the principal is payable at maturity in one lump sum | National Interbank Bond Market | - | - | No |
| Second Tranche of Green Medium-term Notes of Anhui Conch Cement Company Limited for Year 2024 | 24 Conch Cement (Green) | 102481812 | 2024.4.25 | 2024.4.29 | 2027.4.29 | 1.5 | 2.20 | Interest is payable annually, and the principal is payable at maturity in one lump sum | National Interbank Bond Market | - | - | No |

9. Information on Bonds

2. During the Reporting Period, in order to meet the operational and development needs of Conch Environment Group (a subsidiary of the Company), the Board and the general meeting of the Company considered and approved the application of Conch Environment Group with NAFMII for registration of issuing medium-term notes of not more than RMB3 billion (inclusive). In July 2024, the NAFMII agreed to accept the registration of Conch Environment Group for the issue of the medium-term notes, with a registration amount of RMB3 billion. The registration amount will be valid for two years from 25 July 2024. In August 2024, Conch Environment Group issued medium-term notes of RMB1.5 billion with details as below:

| Name of bond | Short name | Code | Issuance date | Value date | Maturity date | Balance of bond (RMB billion) | Interest rate (%) | Mode of repayment of principal and Interest | Trading market | Investor suitability arrangements (if any) | Trading mechanism | Whether the risk of termination of listing exists |
|--|---------------------------------------|-----------|---------------|------------|---------------|----------------------------------|----------------------|--|--------------------------------|---|-------------------|---|
| First Tranche of Green Medium-term Notes of Anhui Conch Environment Protection Group Co., Ltd. for Year 2024 | 24 Conch Environment Protection GN001 | 132480069 | 2024.8.5 | 2024.8.7 | 2029.8.7 | 1.5 | 2.13 | Interest is payable annually, and the principal is payable at maturity in one lump sum | National Interbank Bond Market | - | - | No |

The Company and Conch Environment Group will continue to issue medium-term notes at appropriate time within the validity period of the registration and the registration amount in accordance with relevant requirements and based on the market condition and their respective needs.

9. Information on Bonds

(II) MAJOR ACCOUNTING DATA AND FINANCIAL INDICATORS OF THE COMPANY

| Major indicators | 30 June 2024 (Unaudited) | 31 December 2023 | Increase or decrease at the end of the Reporting Period as compared to that at the end of the previous year (%) | Reason for the change |
|-------------------|-----------------------------|------------------|---|--|
| Current ratio (%) | 338.99 | 340.00 | Decreased by 1.01 percentage points | Decrease in the balance of current assets such as bill receivables and prepayments |
| Quick ration (%) | 291.01 | 292.04 | Decreased by 1.03 percentage points | Decrease in the balance of current assets such as bill receivables and trade receivables |
| Gearing ratio (%) | 19.50 | 19.62 | Decreased by 0.12 percentage point | Decrease in total liabilities |

| Major indicators | Six months ended 30 June 2024 (Unaudited) | Six months ended 30 June 2023 (Unaudited) | Increase or decrease for the Reporting Period over the corresponding period of the previous year (%) | Reason for the change |
|---|--|--|--|---|
| Net profit after extraordinary items attributable to equity shareholders of the Company (RMB'000) | 3,184,884 | 6,154,613 | -48.25 | Period-on-period decrease in revenue as a result of the decrease in the selling price of products |
| EBITDA/total debts ratio | 0.19 | 0.26 | -28.61 | Period-on-period decrease in profit before taxation |
| Interest coverage ratio | 10.80 | 18.59 | -41.89 | Period-on-period decrease in profit before taxation |
| Cash interest coverage ratio | 15.49 | 10.55 | 46.80 | Period-on-period increase in net cash flows generated from operating activities |
| EBITDA interest coverage ratio | 19.89 | 26.21 | -24.09 | Period-on-period decrease in profit before taxation |
| Loan repayment rate (%) | 100 | 100 | - | - |
| Interest payment ratio (%) | 100 | 100 | - | - |

10. Financial Accounting Report (Unaudited)

Consolidated statement of profit or loss

for the six months ended 30 June 2024 – unaudited
(Expressed in Renminbi Yuan ("RMB"))

| | Note | Six months ended 30 June | |
|-------------------------------------|------|--------------------------|---|
| | | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Revenue | 4 | 45,565,622 | 65,503,714 |
| Cost of sales and services rendered | | (37,394,092) | (53,268,857) |
| Gross profit | | 8,171,530 | 12,234,857 |
| Other income | 5 | 1,238,101 | 1,921,766 |
| Selling and marketing costs | | (1,564,328) | (1,628,198) |
| Administrative expenses | | (2,572,953) | (2,867,634) |
| Research and development costs | | (519,216) | (733,748) |
| Profit from operations | | 4,753,134 | 8,927,043 |
| Finance costs | 6(a) | (402,997) | (415,610) |
| Share of profits of associates | | 152,627 | 198,426 |
| Share of profits of joint ventures | | 47,674 | 107,885 |
| Profit before taxation | 6 | 4,550,438 | 8,817,744 |
| Income tax | 7 | (1,003,172) | (1,695,012) |
| Profit for the period | | 3,547,266 | 7,122,732 |
| Attributable to: | | | |
| Equity shareholders of the Company | | 3,486,319 | 6,752,528 |
| Non-controlling interests | | 60,947 | 370,204 |
| Profit for the period | | 3,547,266 | 7,122,732 |
| Earnings per share | 8 | | |
| Basic | | RMB0.66 | RMB1.27 |
| Diluted | | RMB0.66 | RMB1.27 |

The notes on pages 112 to 154 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in note 21(a).

10. Financial Accounting Report (Unaudited)

Consolidated statement of profit and loss and other comprehensive income

for the six months ended 30 June 2024 – unaudited

(Expressed in Renminbi Yuan)

| | Six months ended 30 June | |
|--|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Profit for the period | 3,547,266 | 7,122,732 |
| Other comprehensive income for the period (after tax and reclassification adjustments): | | |
| Item that will not be reclassified to profit or loss: | | |
| Equity investments at fair value through other comprehensive income (“FVOCI”) – net movement in fair value reserve (non-recycling) | 106,666 | (567,236) |
| Items that may be reclassified subsequently to profit or loss: | | |
| Exchange differences on translation of financial statements of overseas subsidiaries | (25,215) | (113,244) |
| Shares of other comprehensive income of investees | (6,381) | 28,730 |
| Other comprehensive income for the period | 75,070 | (651,750) |
| Total comprehensive income for the period | 3,622,336 | 6,470,982 |
| Attributable to: | | |
| Equity shareholders of the Company | 3,545,137 | 6,086,078 |
| Non-controlling interests | 77,199 | 384,904 |
| Total comprehensive income for the period | 3,622,336 | 6,470,982 |

The notes on pages 112 to 154 form part of this interim financial report.

10. Financial Accounting Report (Unaudited)

Consolidated statement of financial position

at 30 June 2024 – unaudited
(Expressed in Renminbi Yuan)

| | Note | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|---|-------|----------------------------------|--|
| Non-current assets | | | |
| Property, plant and equipment | | | |
| – Investment properties | 9 | 63,394 | 55,140 |
| – Other property, plant and equipment | 10 | 106,278,656 | 104,967,820 |
| Intangible assets | | 24,744,813 | 24,675,978 |
| Goodwill | | 1,147,072 | 1,147,072 |
| Interest in associates | | 5,647,704 | 5,575,551 |
| Interests in joint ventures | | 2,268,558 | 2,189,641 |
| Loans and receivables | 11 | 253,188 | 250,256 |
| Long-term prepayments | 9 | 2,586,439 | 3,109,509 |
| Financial assets measured at FVOCI | 12 | 1,470,333 | 1,348,011 |
| Deferred tax assets | | 1,757,706 | 1,553,842 |
| | | 146,217,863 | 144,872,820 |
| Current assets | | | |
| Inventories | 14 | 10,530,694 | 10,155,442 |
| Assets held for sale | | 38,386 | 23,538 |
| Trade and bills receivables | 15 | 9,716,163 | 12,615,230 |
| Financial assets measured at fair value through profit and loss (FVPL) | 13 | 1,669,958 | 2,210,733 |
| Prepayments and other receivables | 16 | 6,677,571 | 7,152,750 |
| Amounts due from related parties | 24(d) | 549,472 | 505,870 |
| Tax recoverable | | 498,933 | 437,771 |
| Restricted cash deposits | | 949,856 | 774,871 |
| Bank deposits with original maturity over three months | | 53,027,109 | 56,035,319 |
| Cash and cash equivalents | 17 | 13,858,506 | 11,572,016 |
| | | 97,516,648 | 101,483,540 |

The notes on pages 112 to 154 form part of this interim financial report.

10. Financial Accounting Report (Unaudited)

Consolidated statement of financial position (Continued)

at 30 June 2024 – unaudited
(Expressed in Renminbi Yuan)

| | Note | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|--|-------|----------------------------------|--|
| Current liabilities | | | |
| Trade and bills payables | 18 | 5,623,643 | 6,329,344 |
| Other payables and accruals | | 9,331,143 | 11,270,653 |
| Current portion of long-term payables | | 61,346 | 61,845 |
| Contract liabilities | | 2,710,019 | 2,885,306 |
| Bank loans and other borrowings | 19 | 8,934,652 | 7,249,964 |
| Corporate bonds | 20 | 11,545 | – |
| Lease liabilities | | 29,671 | 35,389 |
| Amounts due to related parties | 24(d) | 1,016,498 | 1,007,642 |
| Current taxation | | 973,933 | 934,173 |
| | | 28,692,450 | 29,774,316 |
| Net current assets | | | |
| | | 68,824,198 | 71,709,224 |
| Total assets less current liabilities | | | |
| | | 215,042,061 | 216,582,044 |
| Non-current liabilities | | | |
| Corporate bonds | 20 | 3,000,000 | – |
| Bank loans and other borrowings | 19 | 12,869,256 | 15,611,937 |
| Lease liabilities | | 217,655 | 198,018 |
| Long-term payables | | 233,008 | 264,038 |
| Deferred income | | 889,602 | 928,827 |
| Deferred tax liabilities | | 1,678,149 | 1,616,292 |
| | | 18,887,670 | 18,619,112 |
| NET ASSETS | | | |
| | | 196,154,391 | 197,962,932 |

The notes on pages 112 to 154 form part of this interim financial report.

10. Financial Accounting Report (Unaudited)

Consolidated statement of financial position (Continued)

at 30 June 2024 – unaudited
(Expressed in Renminbi Yuan)

| | Note | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|--|------|----------------------------------|--|
| CAPITAL AND RESERVES | | | |
| Share capital | | 5,299,303 | 5,299,303 |
| Reserves | | 178,204,369 | 180,038,278 |
| Total equity attributable to equity shareholders of the Company | | 183,503,672 | 185,337,581 |
| Non-controlling interests | | 12,650,719 | 12,625,351 |
| TOTAL EQUITY | | 196,154,391 | 197,962,932 |

The notes on pages 112 to 154 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 2024 – unaudited

(Expressed in Renminbi Yuan)

| Note | Attributable to equity shareholders of the Company | | | | | | | | | | | Non-controlling interests | Total equity |
|---|--|---------------|-----------------|------------------|---------------------------|------------------------------------|--|---------------|------------------|-------------|------------|---------------------------|--------------|
| | 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 | | | |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | | |
| Balance at 31 December 2022 | 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 | |
| Acquisition of subsidiaries under common control | - | 61,119 | - | - | - | - | - | - | 108,712 | 169,831 | (1,653) | 168,178 | |
| Balance at 1 January 2023, as restated | 5,299,303 | 9,968,163 | 381,529 | (647,673) | 2,649,654 | (751,875) | (32,822) | 168,085 | 166,698,099 | 183,732,463 | 12,344,600 | 196,077,063 | |
| Changes in equity for the six months ended 30 June 2023: | | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | 6,752,528 | 6,752,528 | 370,204 | 7,122,732 | |
| Other comprehensive income | - | - | - | (127,944) | - | (567,236) | 28,730 | - | - | (666,450) | 14,700 | (651,750) | |
| Total comprehensive income | - | - | - | (127,944) | - | (567,236) | 28,730 | - | 6,752,528 | 6,086,078 | 384,904 | 6,470,982 | |
| Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | (146,446) | (146,446) | |
| Dividends approved in respect of the previous year | 21(a) | - | - | - | - | - | - | - | (7,842,968) | (7,842,968) | - | (7,842,968) | |
| Capital contribution received from non-controlling interests | - | - | - | - | - | - | - | - | - | - | 129,437 | 129,437 | |
| 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 | - | 14,006 | |
| Acquisition of subsidiaries under common control | - | - | - | - | - | - | - | - | - | - | (11,719) | (11,719) | |
| Safety production fund | - | - | - | - | - | - | - | 274,729 | (274,729) | - | - | - | |
| Balance at 30 June 2023, as restated | 5,299,303 | 9,965,743 | 395,535 | (775,617) | 2,649,654 | (1,319,111) | (4,092) | 442,814 | 165,332,930 | 181,987,159 | 12,670,796 | 194,657,955 | |

The notes on pages 112 to 154 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 2024 – unaudited
(Expressed in Renminbi Yuan)

| | Attributable to equity shareholders of the Company | | | | | | | | | | | | | |
|---|--|--------------------------|----------------------------|--------------------------|----------------------------|-----------------------------|--------------------------------------|---|---|--------------------------|-----------------------------|------------------|--------------------------------------|-------------------------|
| | Note | Share capital RMB'000 | Treasury shares 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 | Total equity RMB'000 |
| Balance at 30 June 2023 and | | | | | | | | | | | | | | |
| 1 July 2023, as restated | | 5,299,303 | - | 9,965,743 | 395,535 | (775,617) | 2,649,654 | (1,319,111) | (4,092) | 442,814 | 165,332,930 | 181,987,159 | 12,670,796 | 194,657,955 |
| Changes in equity for the six months ended 31 December 2023: | | | | | | | | | | | | | | |
| Profit for the period | | - | - | - | - | - | - | - | - | - | 3,934,066 | 3,934,066 | (42,776) | 3,891,290 |
| Other comprehensive income | | - | - | - | - | 21,498 | - | (238,462) | (32,479) | - | - | (249,443) | (18,959) | (268,402) |
| Total comprehensive income | | - | - | - | - | 21,498 | - | (238,462) | (32,479) | - | 3,934,066 | 3,684,623 | (61,735) | 3,622,888 |
| Purchase of own shares | | - | (339,160) | - | - | - | - | - | - | - | - | (339,160) | - | (339,160) |
| Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders | | - | - | - | - | - | - | - | - | - | - | - | (212,473) | (212,473) |
| Capital contribution received from non-controlling interests | | - | - | - | - | - | - | - | - | - | - | - | 547,374 | 547,374 |
| Acquisition of non-controlling interests | | - | - | 50,898 | - | - | - | - | - | - | - | 50,898 | (482,001) | (431,103) |
| Disposal of interest in subsidiaries shares without losing control | | - | - | 31,587 | - | - | - | - | - | - | - | 31,587 | 163,413 | 195,000 |
| Share of change of capital reserve of the investees | | - | - | - | 21,674 | - | - | - | - | - | - | 21,674 | - | 21,674 |
| Acquisition of subsidiaries under common control | | - | - | 30,800 | - | - | - | - | - | - | (130,000) | (99,200) | (23) | (99,223) |
| Safety production fund | | - | - | - | - | - | - | - | - | (40,231) | 40,231 | - | - | - |
| Balance at 31 December 2023 | | 5,299,303 | (339,160) | 10,079,028 | 417,209 | (754,119) | 2,649,654 | (1,557,573) | (36,571) | 402,583 | 169,177,227 | 185,337,581 | 12,625,351 | 197,962,932 |

The notes on pages 112 to 154 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 2024 – unaudited

(Expressed in Renminbi Yuan)

| Note | Attributable to equity shareholders of the Company | | | | | | | | | | | | | Total equity |
|---|--|-----------------|---------------|-----------------|------------------|---------------------------|-------------|-----------------------------------|---------------|------------------|-------------|---------------------------|-------------|--------------|
| | Share capital | Treasury shares | Share premium | Capital reserve | Exchange reserve | Statutory surplus reserve | Fair value | Share of other | Other reserve | Retained profits | Total | Non-controlling interests | | |
| | | | | | | | recycling) | comprehensive income of investees | | | | | | |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Balance at 1 January 2024 | 5,299,303 | (339,160) | 9,987,109 | 417,209 | (754,119) | 2,649,654 | (1,557,573) | (36,571) | 402,583 | 169,201,102 | 185,269,537 | 12,640,828 | 197,910,365 | |
| Acquisition of subsidiaries under common control | - | - | 91,919 | - | - | - | - | - | - | (23,875) | 68,044 | (15,477) | 52,567 | |
| Balance at 1 January 2024 | 5,299,303 | (339,160) | 10,079,028 | 417,209 | (754,119) | 2,649,654 | (1,557,573) | (36,571) | 402,583 | 169,177,227 | 185,337,581 | 12,625,351 | 197,962,932 | |
| Changes in equity for the six months ended 30 June 2024: | | | | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | - | - | 3,486,319 | 3,486,319 | 60,947 | 3,547,266 | |
| Other comprehensive income | - | - | - | - | (41,467) | - | 106,666 | (6,381) | - | - | 58,818 | 16,252 | 75,070 | |
| Total comprehensive income | - | - | - | - | (41,467) | - | 106,666 | (6,381) | - | 3,486,319 | 3,545,137 | 77,199 | 3,622,336 | |
| Capital contribution received from non-controlling interests | - | - | - | - | - | - | - | - | - | - | - | 69,150 | 69,150 | |
| Purchase of own shares | - | (161,428) | - | - | - | - | - | - | - | - | (161,428) | - | (161,428) | |
| Dividends declared by non-wholly owned subsidiaries to non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | - | (135,190) | (135,190) | |
| Dividends approved in respect of the previous year 21(a) | - | - | - | - | - | - | - | - | - | (5,065,978) | (5,065,978) | - | (5,065,978) | |
| Acquisition of non-controlling interests in subsidiaries | - | - | 500 | - | - | - | - | - | - | - | 500 | (500) | - | |
| Disposal of interest in subsidiaries shares without losing control | - | - | (925) | - | - | - | - | - | - | - | (925) | 14,709 | 13,784 | |
| Share of change of capital reserve of the investees | - | - | - | (24,735) | - | - | - | - | - | - | (24,735) | - | (24,735) | |
| Acquisition of subsidiaries under common control | - | - | (126,400) | - | - | - | - | - | - | - | (126,400) | - | (126,400) | |
| Others | - | - | (80) | - | - | - | - | - | - | - | (80) | - | (80) | |
| Safety production fund | - | - | - | - | - | - | - | - | 152,617 | (152,617) | - | - | - | |
| Balance at 30 June 2024 | 5,299,303 | (500,588) | 9,952,123 | 392,474 | (795,586) | 2,649,654 | (1,450,907) | (42,952) | 555,200 | 167,444,951 | 183,503,672 | 12,650,719 | 196,154,391 | |

The notes on pages 112 to 154 form part of this interim financial report.

10. Financial Accounting Report (Unaudited)

Condensed consolidated cash flow statement

for the six months ended 30 June 2024 – unaudited
(Expressed in Renminbi Yuan)

| | Six months ended 30 June | |
|--|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Operating activities | | |
| Cash generated from operations | 8,048,117 | 6,342,516 |
| – Income tax paid | (1,177,438) | (1,281,280) |
| – Interest paid | (440,602) | (471,961) |
| Net cash generated from operating activities | 6,430,077 | 4,589,275 |
| Investing activities | | |
| Payments for purchase of property, plant and equipment, land use rights and intangible assets | (5,712,049) | (6,600,524) |
| Proceeds from sale of financial assets measured at FVPL | 245,000 | 10,661,969 |
| Proceeds from maturity of bank deposits over three months | 12,661,995 | 12,212,051 |
| Payments of new bank deposits with maturity over three months | (9,653,785) | (17,095,680) |
| Payment for the purchase of financial assets measured at FVPL | – | (3,000,000) |
| Interest received | 877,467 | 470,792 |
| Payment for acquisitions of subsidiaries | (89,146) | (373,890) |
| New advances to third parties | (24,072) | – |
| Other cash flows arising from investing activities | 72,220 | 271,042 |
| Net cash used in investing activities | (1,622,370) | (3,454,240) |

The notes on pages 112 to 154 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 2024 – unaudited
(Expressed in Renminbi Yuan)

| | Six months ended 30 June | |
|---|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Financing activities | | |
| Capital element and interest element of lease rentals paid | (23,716) | (12,823) |
| Proceeds from new bank loans and other borrowings | 6,298,090 | 9,179,892 |
| Repayments of bank loans and other borrowings | (6,629,981) | (4,385,474) |
| Dividends paid to equity shareholders of the Company | (4,859,493) | (7,821,472) |
| Dividends paid to non-controlling interests of subsidiaries | (100,202) | (146,446) |
| Capital contribution from non-controlling interests | 69,149 | 116,437 |
| Payment for acquisition of companies under common control | (126,400) | – |
| Repayment to former shareholder of subsidiaries related to business combination | (1,500) | (70,910) |
| Payment for repurchase of shares | (161,428) | – |
| Proceeds from issue of corporate bonds | 3,000,000 | – |
| Other cash flow arising from/(used in) financing activities | 13,704 | (32,400) |
| Net cash used in financing activities | (2,521,777) | (3,173,196) |
| Net increase/(decrease) in cash and cash equivalents | 2,285,930 | (2,038,161) |
| Effect of foreign exchange rate changes | 560 | 74,876 |
| Cash and cash equivalents at 1 January | 11,572,016 | 16,321,957 |
| Cash and cash equivalents at 30 June | 13,858,506 | 14,358,672 |

The notes on pages 112 to 154 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 27 August 2024.

This interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 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 2023 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”).

This 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 2023 that is included in this 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 2023 are available from the Company’s registered office. The independent auditors have expressed an unqualified opinion on those financial statements in their report dated 19 March 2024.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

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:

- Amendments to IFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to IAS 1, Classification of Liabilities as Current or Non-current (the “2020 Amendments”)
- Amendments to IAS 1, Non-current Liabilities with Covenants (the “2022 Amendments”)
- Amendments to IAS 7 and IFRS 7, Supplier Finance Arrangements

None of these amendments 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.

3 BUSINESS COMBINATION

Business combination under common control

During six months ended 30 June 2024, the Group acquired equity interest of below subsidiary from related parties. Details of the acquired subsidiary are as follows:

| Name of the company | Voting rights/ effective equity interests | Date of acquisition | Principal activities | Total cash consideration RMB’000 |
|---|--|--------------------------------|---|---|
| Anhui Conch Information technology Engineering Co.,Ltd (“Conch IT Engineering”) | 100% | 2 January, 2024 | Information platform construction and operation | 126,400 |

As Conch IT Engineering and the Group are under common control of Anhui Conch Holding Co., Ltd. 安徽海螺集團有限責任公司 (“Conch Holdings”) before and after the business combination and the control is not transitory, the acquisition of Conch IT Engineering was considered as a business combination involving entities under common control.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

3 BUSINESS COMBINATION (CONTINUED)

The financial performance previously reported by the Group for the six months ended 30 June 2023 have been restated to include the operating results of the combining entities from the earliest date presented under the control of the ultimate shareholder, regardless of the date of the common control combination, as set out below:

| | The Group RMB'000 (as previously reported) | Conch IT Engineering RMB'000 | Inter- company Elimination RMB'000 | The Group RMB'000 (as restated) |
|-------------------------------------|--|--|--|--|
| Revenue | 65,436,307 | 146,427 | (79,020) | 65,503,714 |
| Cost of sales and services rendered | (53,228,724) | (111,395) | 71,262 | (53,268,857) |
| Gross profit | 12,207,583 | 35,032 | (7,758) | 12,234,857 |
| Other income | 1,917,957 | 4,928 | (1,119) | 1,921,766 |
| Selling and marketing costs | (1,627,155) | (1,043) | – | (1,628,198) |
| Administrative expenses | (2,858,987) | (8,647) | – | (2,867,634) |
| Research and development costs | (707,058) | (26,690) | – | (733,748) |
| Profit from operations | 8,932,340 | 3,580 | (8,877) | 8,927,043 |
| Finance costs | (415,610) | – | – | (415,610) |
| Share of profits of associates | 198,426 | – | – | 198,426 |
| Share of profits of joint ventures | 107,885 | – | – | 107,885 |
| Profit before taxation | 8,823,041 | 3,580 | (8,877) | 8,817,744 |
| Income tax | (1,696,272) | (292) | 1,552 | (1,695,012) |
| Profit for the period | 7,126,769 | 3,288 | (7,325) | 7,122,732 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

3 BUSINESS COMBINATION (CONTINUED)

| | The Group RMB'000 (as previously reported) | Conch IT Engineering RMB'000 | Inter- company Elimination RMB'000 | The Group RMB'000 (as restated) |
|--|--|--|--|--|
| Other comprehensive income for the period (after tax and reclassification adjustments): | | | | |
| Item that will not be reclassified to profit or loss: | | | | |
| Equity investments at FVOCI – net movement in fair value reserve (non recycling) | (567,236) | – | – | (567,236) |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of financial statements of overseas subsidiaries | (113,244) | – | – | (113,244) |
| Shares of other comprehensive income of investees | 28,730 | – | – | 28,730 |
| Other comprehensive income for the period | (651,750) | – | – | (651,750) |
| Total comprehensive income for the period | 6,475,019 | 3,288 | (7,325) | 6,470,982 |
| Attributable to: | | | | |
| Equity shareholders of the Company | 6,089,157 | 3,128 | (6,207) | 6,086,078 |
| Non-controlling interests | 385,862 | 160 | (1,118) | 384,904 |
| Total comprehensive income for the period | 6,475,019 | 3,288 | (7,325) | 6,470,982 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

3 BUSINESS COMBINATION (CONTINUED)

The financial position previously reported by the Group as at 31 December 2023 has been restated to include the assets and liabilities of the combining entities recognized at the carrying value based on the controlling shareholder's financial statements (i.e. Conch Holdings) as set out below:

| | The Group | Conch IT | Inter- | |
|---|------------------|-----------------|---------------|---------------|
| | RMB'000 | Engineering | company | The Group |
| | (as previously | RMB'000 | Elimination | RMB'000 |
| | reported) | | RMB'000 | (as restated) |
| Non-current assets | | | | |
| Property, plant and equipment | | | | |
| – Investment properties | 55,140 | – | – | 55,140 |
| – Other property, plant and equipment | 105,011,652 | 8,883 | (52,715) | 104,967,820 |
| Intangible assets | 24,613,705 | 62,273 | – | 24,675,978 |
| Goodwill | 1,147,072 | – | – | 1,147,072 |
| Interest in associates | 5,575,551 | 17,531 | (17,531) | 5,575,551 |
| Interests in joint ventures | 2,189,641 | – | – | 2,189,641 |
| Loans and receivables | 250,256 | – | – | 250,256 |
| Long-term prepayments | 3,108,137 | 1,372 | – | 3,109,509 |
| Financial assets measured at FVOCI | 1,348,011 | – | – | 1,348,011 |
| Deferred tax assets | 1,543,300 | – | 10,542 | 1,553,842 |
| | 144,842,465 | 90,059 | (59,704) | 144,872,820 |
| Current assets | | | | |
| Inventories | 10,100,346 | 55,096 | – | 10,155,442 |
| Assets held for sale | 23,538 | – | – | 23,538 |
| Trade and bills receivables | 12,566,632 | 75,331 | (26,733) | 12,615,230 |
| Financial assets measured at fair value | | | | |
| through profit and loss (FVPL) | 2,210,733 | – | – | 2,210,733 |
| Prepayments and other receivables | 7,146,508 | 6,242 | – | 7,152,750 |
| Amounts due from related parties | 510,492 | (4,622) | – | 505,870 |
| Tax recoverable | 426,887 | 10,884 | – | 437,771 |
| Restricted cash deposits | 774,871 | – | – | 774,871 |
| Bank deposits with original maturity over | | | | |
| three months | 56,035,319 | – | – | 56,035,319 |
| Cash and cash equivalents | 11,551,409 | 20,607 | – | 11,572,016 |
| | 101,346,735 | 163,538 | (26,733) | 101,483,540 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

3 BUSINESS COMBINATION (CONTINUED)

| | The Group RMB'000 (as previously reported) | Conch IT Engineering RMB'000 | Inter- company Elimination RMB'000 | The Group RMB'000 (as restated) |
|--|---|------------------------------------|---|---------------------------------------|
| Current liabilities | | | | |
| Trade and bills payables | 6,219,448 | 136,629 | (26,733) | 6,329,344 |
| Other payables and accruals | 11,242,368 | 28,285 | - | 11,270,653 |
| Current portion of long-term payables | 61,845 | - | - | 61,845 |
| Contract liabilities | 2,883,152 | 2,154 | - | 2,885,306 |
| Bank loans and other borrowings | 7,249,964 | - | - | 7,249,964 |
| Lease liabilities | 35,389 | - | - | 35,389 |
| Amounts due to related parties | 1,033,490 | (25,848) | - | 1,007,642 |
| Current taxation | 934,173 | - | - | 934,173 |
| | 29,659,829 | 141,220 | (26,733) | 29,774,316 |
| Net current assets | 71,686,906 | 22,318 | - | 71,709,224 |
| Total assets less current liabilities | 216,529,371 | 112,377 | (59,704) | 216,582,044 |
| Non-current liabilities | | | | |
| Bank loans and other borrowings | 15,611,937 | - | - | 15,611,937 |
| Lease liabilities | 198,018 | - | - | 198,018 |
| Long-term payables | 263,932 | 106 | - | 264,038 |
| Deferred income | 928,827 | - | - | 928,827 |
| Deferred tax liabilities | 1,616,292 | - | - | 1,616,292 |
| | 18,619,006 | 106 | - | 18,619,112 |
| NET ASSETS | 197,910,365 | 112,271 | (59,704) | 197,962,932 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

3 BUSINESS COMBINATION (CONTINUED)

| | The Group RMB'000 (as previously reported) | Conch IT Engineering RMB'000 | Inter- company Elimination RMB'000 | The Group RMB'000 (as restated) |
|--|--|--|--|--|
| CAPITAL AND RESERVES | | | | |
| Share capital | 5,299,303 | 50,000 | (50,000) | 5,299,303 |
| Reserves | 179,970,234 | 60,217 | 7,827 | 180,038,278 |
| Total equity attributable to equity shareholders of the Company | 185,269,537 | 110,217 | (42,173) | 185,337,581 |
| Non-controlling interests | 12,640,828 | 2,054 | (17,531) | 12,625,351 |
| TOTAL EQUITY | 197,910,365 | 112,271 | (59,704) | 197,962,932 |

The cash flows previously reported by the Group for the six months ended 30 June 2023 have been restated to include the cash flows of the combining entities from the earliest date presented or since the date when combining entities first came under common control, regardless of the date of the common control combination, as set out below:

| | The Group RMB'000 (as previously reported) | Conch IT Engineering RMB'000 | Inter- company Elimination RMB'000 | The Group RMB'000 (as restated) |
|--|--|--|--|--|
| Net cash generated from operating activities | 4,605,469 | 35,308 | (51,502) | 4,589,275 |
| Net cash used in investing activities | (3,502,800) | (15,284) | 63,844 | (3,454,240) |
| Net cash used in financing activities | (3,161,456) | 602 | (12,342) | (3,173,196) |
| Net (decrease)/increase in cash and cash equivalents | (2,058,787) | 20,626 | - | (2,038,161) |
| Cash and cash equivalents as at 1 January 2023 | 16,158,423 | 163,534 | - | 16,321,957 |
| Effect of foreign exchange rate changes | 74,876 | - | - | 74,876 |
| Cash and cash equivalents as at 30 June 2023 | 14,174,512 | 184,160 | - | 14,358,672 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are the manufacturing, sale and trading of clinker and cement products and other materials. Further details regarding the Group's revenue from principal activities are disclosed below.

(i) Disaggregation of revenue

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

| | Six months ended 30 June | |
|--|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Revenue from contracts with customers within the scope of IFRS 15 | | |
| Disaggregated by major products or service lines | | |
| – Sales and trading of clinker and cement products | 34,050,641 | 43,721,022 |
| – Sales and trading of other materials | 9,750,975 | 19,713,512 |
| – Service income | 1,764,006 | 2,069,180 |
| | 45,565,622 | 65,503,714 |

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

The Group's customer base is diversified and there is no single customer with whom transactions have exceeded 10% of the Group's revenue.

(ii) Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its revenue contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that have an original expected duration of one year or less.

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) 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 organised by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following five reportable segments based on the region in which the Group's 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.

(i) Segment results, 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 on the following bases:

Segment assets include all assets in the 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 ("MOF") of the PRC. Segment liabilities include all liabilities in the financial statements prepared in accordance with CAS.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments in accordance with CAS.

The measure used for reporting segment profit is profit before taxation in accordance with CAS.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment revenue), interest income and expense from cash balances and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders.

Disaggregation of revenue from contracts with customers by the type and 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 six months ended 30 June 2024 and 30 June 2023 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) Segment reporting (continued)

For the six months ended 30 June 2024

| | 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 |
| Disaggregated by type of business | | | | | | | | | | |
| Sales and trading of clinker and cement products | 8,928,195 | 10,178,471 | 6,286,244 | 6,341,587 | 2,316,144 | - | 34,050,641 | - | - | 34,050,641 |
| Sales and trading of other materials | 2,594,088 | 4,199,652 | 492,002 | 2,274,427 | 146,252 | - | 9,706,421 | 44,554 | - | 9,750,975 |
| Service income | 99,050 | 852,120 | 28,360 | 10,830 | 14,193 | - | 1,004,553 | 759,453 | - | 1,764,006 |
| Revenue from external customers | 11,621,333 | 15,230,243 | 6,806,606 | 8,626,844 | 2,476,589 | - | 44,761,615 | 804,007 | - | 45,565,622 |
| Disaggregated by timing of revenue recognition | | | | | | | | | | |
| Point in time | 11,608,031 | 15,164,763 | 6,804,856 | 8,622,265 | 2,462,497 | - | 44,662,412 | 44,554 | - | 44,706,966 |
| Over time | 13,302 | 65,480 | 1,750 | 4,579 | 14,092 | - | 99,203 | 759,453 | - | 858,656 |
| Revenue from external customers | 11,621,333 | 15,230,243 | 6,806,606 | 8,626,844 | 2,476,589 | - | 44,761,615 | 804,007 | - | 45,565,622 |
| Inter-segment revenue | 3,028,951 | 13,338,103 | 74,057 | 127,574 | 54,325 | (16,587,363) | 35,647 | - | (35,647) | - |
| Reportable segment revenue | 14,650,284 | 28,568,346 | 6,880,663 | 8,754,418 | 2,530,914 | (16,587,363) | 44,797,262 | 804,007 | (35,647) | 45,565,622 |
| Reportable segment profit (profit before taxation) | 618,908 | 3,234,895 | 543,968 | 530,331 | 73,576 | (692,004) | 4,309,674 | 77,057 | - | 4,386,731 |
| Interest income | 7,883 | 1,278,904 | 14,586 | 13,086 | 32,076 | (285,447) | 1,061,088 | 2,389 | - | 1,063,477 |
| Interest expense | (6,461) | (106,731) | (34,280) | (35,622) | (267,781) | 100,679 | (350,196) | (52,801) | - | (402,997) |
| Depreciation and amortisation for the period | (275,456) | (1,651,025) | (588,127) | (975,284) | (303,486) | 27,865 | (3,765,513) | (267,403) | - | (4,032,916) |
| Reportable segment assets (including interests in associates and joint ventures) | 13,395,231 | 185,365,468 | 32,085,130 | 29,180,313 | 19,572,446 | (46,073,781) | 233,524,807 | 10,209,704 | - | 243,734,511 |
| Investments in associates and joint ventures | - | 3,929,584 | - | 3,650,188 | 258,418 | - | 7,838,190 | 78,072 | - | 7,916,262 |
| Additions to non-current segment assets during the period | 372,509 | 1,689,302 | 1,241,507 | 607,154 | 1,619,810 | - | 5,530,282 | 184,842 | - | 5,715,124 |
| Reportable segment liabilities | 2,517,983 | 20,579,073 | 12,732,530 | 5,685,130 | 14,065,346 | (14,126,199) | 41,453,863 | 6,076,760 | - | 47,530,623 |

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) Segment reporting (continued)

For the six months ended 30 June 2023 (restated)

| | Cement and cement related | | | | | | Solid and hazardous waste | | Total | |
|---|---------------------------|--------------------------|---------------------------|--------------------------|---------------------|------------------------|---------------------------|----------------------|-----------------|------------------------|
| | Eastern China RMB'000 | Central China RMB'000 | Southern China RMB'000 | Western China RMB'000 | Overseas RMB'000 | Elimination RMB'000 | Subtotal RMB'000 | treatment RMB'000 | | Elimination RMB'000 |
| Disaggregated by type of business | | | | | | | | | | |
| 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 | 5,715,361 | 1,549,315 | 5,135,902 | 222,047 | - | 19,713,512 | - | - | 19,713,512 |
| Service income | 86,605 | 989,477 | 4,325 | 7,682 | 10,307 | - | 1,098,396 | 970,784 | - | 2,069,180 |
| Revenue from external customers | 20,208,081 | 19,564,877 | 9,567,660 | 12,777,239 | 2,415,073 | - | 64,532,930 | 970,784 | - | 65,503,714 |
| Disaggregated by timing of revenue recognition | | | | | | | | | | |
| Point in time | 20,204,787 | 19,529,237 | 9,567,281 | 12,776,127 | 2,404,765 | - | 64,482,197 | - | - | 64,482,197 |
| Over time | 3,294 | 35,640 | 379 | 1,112 | 10,308 | - | 50,733 | 970,784 | - | 1,021,517 |
| Revenue from external customers | 20,208,081 | 19,564,877 | 9,567,660 | 12,777,239 | 2,415,073 | - | 64,532,930 | 970,784 | - | 65,503,714 |
| Inter-segment revenue | 2,453,158 | 16,204,006 | 153,777 | 836,512 | 53,802 | (19,658,820) | 42,435 | - | (42,435) | - |
| Reportable segment revenue | 22,661,239 | 35,768,883 | 9,721,437 | 13,613,751 | 2,468,875 | (19,658,820) | 64,575,365 | 970,784 | (42,435) | 65,503,714 |
| Reportable segment profit (profit before taxation) | | | | | | | | | | |
| | 1,079,763 | 7,517,282 | 1,013,878 | 833,804 | 531,146 | (2,698,908) | 8,276,965 | 221,740 | - | 8,498,705 |
| Interest income | 8,619 | 1,143,949 | 12,628 | 16,650 | 6,098 | (218,009) | 969,935 | 2,678 | - | 972,613 |
| 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) | (1,540,940) | (513,593) | (904,189) | (253,950) | 34,189 | (3,475,057) | (178,731) | - | (3,653,788) |
| Reportable segment assets (including interests in associates and joint ventures) | | | | | | | | | | |
| | 16,076,900 | 178,387,648 | 32,584,238 | 31,547,931 | 18,614,341 | (45,166,058) | 232,045,000 | 9,464,260 | (797) | 241,508,463 |
| 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 | 2,490,260 | 2,224,984 | 801,848 | 1,748,964 | - | 7,811,519 | 430,534 | - | 8,242,053 |
| Reportable segment liabilities | 2,500,743 | 20,989,536 | 13,496,648 | 5,711,921 | 14,071,887 | (15,408,103) | 41,362,632 | 5,417,274 | (797) | 46,779,109 |

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 | |
|--|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Revenue | | |
| Reportable segment revenue | 62,188,632 | 85,204,969 |
| Inter-segment revenue | (16,623,010) | (19,701,255) |
| Consolidated revenue | 45,565,622 | 65,503,714 |
| Profit | | |
| Reportable segment profit (profit before taxation) | 5,078,735 | 11,197,614 |
| Inter-segment profit | (692,004) | (2,698,908) |
| Differences between CAS and IFRS* | 163,707 | 319,038 |
| Consolidated profit before taxation | 4,550,438 | 8,817,744 |
| Assets | | |
| Reportable segment assets | 289,808,292 | 286,675,318 |
| Inter-segment assets | (46,073,781) | (45,166,855) |
| Consolidated total assets | 243,734,511 | 241,508,463 |
| Liabilities | | |
| Reportable segment liabilities | 61,656,822 | 62,188,009 |
| Inter-segment liabilities | (14,126,199) | (15,408,900) |
| Difference between CAS and IFRS* | 49,497 | 71,397 |
| Consolidated total liabilities | 47,580,120 | 46,850,506 |

* 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 | |
|--|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Interest income on financial assets measured at amortised cost | 1,063,477 | 972,613 |
| Subsidy income* | 570,106 | 547,711 |
| Investment income on wealth management products | – | 108,048 |
| Net loss on disposal of property, plant and equipment | (4,781) | (60,466) |
| Net realised and unrealised (loss)/gain on financial assets measured at FVPL | (282,628) | (10,933) |
| Dividend income from financial assets measured at FVOCI | 65,428 | 79,987 |
| Net foreign exchange gain | (209,896) | 265,929 |
| Others | 36,395 | 18,877 |
| | 1,238,101 | 1,921,766 |

* 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 | |
|---|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Interest on bank loans and other borrowings | 426,752 | 469,057 |
| Interest on long-term payables | 11,429 | 8,700 |
| Interest on lease liabilities | 5,306 | 1,843 |
| Interest expense on financial liabilities not at FVPL | 443,487 | 479,600 |
| Less: interest expense capitalised into construction-in-progress* | (40,490) | (63,990) |
| | 402,997 | 415,610 |

* The borrowing costs have been capitalized at rate of 1.90% – 4.20% for the six months ended 30 June 2024 (six months ended 30 June 2023: 2.80% – 4.90%).

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 | |
|--|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Salaries, wages and other benefits | 3,428,202 | 3,582,480 |
| Contributions to defined contribution retirement plans | 446,285 | 373,656 |
| Annuity | 167,152 | 200,181 |
| | 4,041,639 | 4,156,317 |

Employees of the Group's PRC subsidiaries are required to participate in a defined contribution retirement plans administered and operated by the local municipal government. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the local municipal government to the plan to fund the retirement benefits of the employees.

The Group's contributions to the defined contribution retirement plans are expensed as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. The Group has no other material obligation for the payment of retirement benefits associated with the scheme beyond the annual contributions described above.

(c) Other items:

| | Six months ended 30 June | |
|---|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Depreciation of investment property and other property, plant and equipment | 3,623,545 | 3,301,199 |
| Amortisation of intangible assets | 409,371 | 352,589 |
| Cost of inventories* | 35,771,206 | 51,011,311 |

* Cost of inventories included RMB3,836,774,000 (six months ended 30 June 2023: RMB5,062,040,000) 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.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

7 INCOME TAX

Taxation in the consolidated statement of profit or loss represents:

| | Six months ended 30 June | |
|---|--------------------------|---|
| | 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
| Current tax | | |
| Provision for the period | 1,122,936 | 1,722,477 |
| (Over)/under-provision in respect of prior year | 33,100 | (17,433) |
| | 1,156,036 | 1,705,044 |
| Deferred tax | | |
| Origination and reversal of temporary differences | (152,864) | (10,032) |
| | 1,003,172 | 1,695,012 |

No provision for Hong Kong Profits Tax was made for the six months ended 30 June 2024 and 2023 as the Group did not earn any income which is subject to Hong Kong Profits Tax.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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7 INCOME TAX (CONTINUED)

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% |
| Linxia Conch Cement Co., Ltd. ("Linxia Conch") 臨夏海螺水泥有限責任公司 (Note (i)) | 15% |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

7 INCOME TAX (CONTINUED)

| Subsidiaries' Name | Tax rates |
|---|-----------|
| Tongren Conch Panjiang Cement Co., Ltd. ("Tongren Conch") 銅仁海螺盤江水泥有限責任公司 (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)) (Note (ii)) | 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% |
| Ganzhou Conch Cement Co., Ltd. ("Ganzhou Conch") 贛州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% |

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 |
|---|-----------|
| 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% |
| 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% |
| Naiman Hongji Cement Co., Ltd. ("Hongji Cement") 奈曼旗宏基水泥有限公司 (Note (i)) | 15% |
| Chongqing Duoji Renewable Resources Co., Ltd. ("Chongqing Duoji") 重慶多吉再生資源有限公司 (Note (i)) | 15% |
| Bazhong Conch Building Material Co., Ltd. ("Bazhong Building Material") 巴中海螺建材有限公司有限責任公司 (Note (i)) | 15% |
| Anhui Jinggong Testing and Inspection Center 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 Co., Ltd. ("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% |

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7 INCOME TAX (CONTINUED)

| Subsidiaries' Name | Tax rates |
|--|-----------|
| Changjiang Conch Huasheng Plastic Packaging Co., Ltd. 昌江海螺華盛塑膠包裝有限公司 (Note (v)) | 15% |
| Anhui Xuancheng Conch Cement Co., Ltd. ("Xuancheng Conch") 安徽宣城海螺水泥有限公司 (Note (ii)) | 15% |
| Anhui Zongyang Conch Cement Co., Ltd ("Zongyang Conch") 安徽縱陽海螺水泥股份有限公司 (Note (ii)) | 15% |
| Anhui Conch Zhongnan Intelligent Robot Co., Ltd ("Zhongnan Intelligent") 安徽海螺中南智能機器人有限責任公司 (Note (ii)) | 15% |
| 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 (Note (ii)) | 15% |

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.

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7 INCOME TAX (CONTINUED)

Notes: (continued)

- (ii) Pursuant to Chapter 28 of the Law of the PRC on Enterprise Income Tax, nation supported enterprises recognized as high and new technology enterprise are entitled to a preferential income tax rate of 15%.

Conch Construction 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 September 2021 to September 2024.

Refractory Material 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 obtained a high and new technology enterprise certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from September 2021 to September 2024.

Haibo Intelligent 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 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.

Liangping Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Xuancheng Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zongyang Conch obtained a high and new technology enterprise certification in 2023. Accordingly, it is entitled to a preferential income tax rate of 15% from 2023 to 2025.

Zhongnan Intelligent 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.

Conch IT Engineering obtained a high and new technology enterprise certification in 2021. Accordingly, it is entitled to a preferential income tax rate of 15% from September 2021 to September 2024.

- (iii) According to Caishui [2022] No. 13, "The Announcement of Further Implementation of Inclusive Tax Relief Policy on 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) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 2022 to 2024. According to Caishui [2023] No. 6, "The Announcement of Implementation of Inclusive Tax Relief Policy on Small-scaled Minimal Profit Enterprise", small-scaled minimal profit enterprises with an annual taxable income below RMB1,000,000 is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 2023 to 2024.

10. Financial Accounting Report (Unaudited)

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7 INCOME TAX (CONTINUED)

Notes: (continued)

- (iv) According to Article 27 of the Law of the PRC on Enterprise Income Tax, 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 initial 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%.

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 | 20% |
| Vientian Conch Cement CO., Ltd. ("Vientian Conch") a subsidiary in Laos | 20% |
| 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% |

10. Financial Accounting Report (Unaudited)

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7 INCOME TAX (CONTINUED)

| Subsidiaries' Name | Tax rates |
|---|-----------|
| 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 company in the Cayman Islands and its subsidiaries in the Cayman Islands and British Virgin Islands ("BVI") (note (ii)) | – |
| Subsidiaries of Conch Environment Protection in Hong Kong | 16.5% |

Notes:

- (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 in which the company generates its revenue and income tax exemption for 6 years from the year in which 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 BVI, these subsidiaries are not subject to any income tax in the Cayman Islands and the BVI.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2024 is based on the profit attributable to equity shareholders of the Company of RMB3,486,319,000 (six months ended 30 June 2023: RMB6,752,528,000) and the weighted average number of shares in issue during the six months ended 30 June 2024 of 5,277,710,000 shares (six months ended 30 June 2023: 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 2024 and 2023, 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 2024, the Group newly leased out two properties with carrying amount of RMB14,271,000 (six months ended 30 June 2023: Nil) under operating lease.

During the six months ended 30 June 2024, the Group did not terminate any leased properties (six months ended 30 June 2023: RMB14,953,000).

The rental income earned by the Group from its investment properties during the six months ended 30 June 2024 and 2023 was immaterial.

(b) Long-term prepayments

During the six months ended 30 June 2024, the decrease in long-term prepayments was mainly due to transfer of prepaid assets to Other property, plant and equipment.

10 OTHER PROPERTY, PLANT AND EQUIPMENT

(a) Right-of-use assets

During the six months ended 30 June 2024, 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 RMB332,769,000 (six months ended 30 June 2023: RMB123,923,000).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2024, the Group acquired property, plant and equipment with a cost of RMB6,009,225,000 (six months ended 30 June 2023: RMB6,803,165,000).

Items of property, plant and equipment with a carrying amount of RMB47,562,000 were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: RMB224,949,000), resulting in a net loss on disposal of RMB4,781,000 (six months ended 30 June 2023: a net loss on disposal of RMB60,466,000).

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

11 LOANS AND RECEIVABLES

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|---|-------------------------------|-----------------------------------|
| Loans and receivables | 755,168 | 758,136 |
| Less: current portion of non-current loans and receivables (note 16) | (501,980) | (507,880) |
| | 253,188 | 250,256 |

As at 30 June 2024, loans and receivables of the Group mainly represent advances made to local government authorities.

12 FINANCIAL ASSETS MEASURED AT FVOCI

| | Note | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|--|------|-------------------------------|-----------------------------------|
| Financial assets measured at FVOCI (non-recycling) | | | |
| – Listed equity securities (Non-trading purpose) | (i) | 1,398,557 | 1,276,235 |
| – Unlisted equity investment (Non-trading purpose) | (ii) | 71,776 | 71,776 |
| | | 1,470,333 | 1,348,011 |

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 2024 and 31 December 2023.

Note (ii): As at 30 June 2024, the fair value of the unlisted equity investment is approximately the same as its cost.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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13 FINANCIAL ASSETS MEASURED AT FVPL

| | Note | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|--|------|-------------------------------|-----------------------------------|
| Current Financial assets measured at FVPL | | | |
| Wealth management products | (i) | 1,051,424 | 1,039,885 |
| Structured deposits | (i) | – | 245,000 |
| Listed equity securities at FVPL | (ii) | 618,534 | 925,848 |
| | | 1,669,958 | 2,210,733 |

Note (i): As at 30 June 2024, the balance represents investments in short-term wealth management products, long-term wealth management products and structured deposits. The principal amounts of wealth management products are RMB1,000,000,000 (2023: RMB1,000,000,000) in total, and they bear interests at floating rates. They were classified as financial assets at FVPL at 30 June 2024 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 2024.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

14 INVENTORIES

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

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|------------------|-------------------------------|---|
| Raw materials | 4,941,820 | 4,611,883 |
| Work in progress | 277,915 | 332,575 |
| Finished goods | 4,629,187 | 4,802,610 |
| Spare parts | 681,772 | 408,374 |
| | 10,530,694 | 10,155,442 |

(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 2024 RMB'000 | 2023 RMB'000 (restated) (Note 3) |
|-------------------------------------|---|---|
| Carrying amount of inventories sold | 35,771,206 | 51,011,311 |

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

10. Financial Accounting Report (Unaudited)

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15 TRADE AND BILLS RECEIVABLES

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|--|-------------------------------|---|
| Trade debtors | 3,760,774 | 4,504,318 |
| Less: loss allowance for doubtful debts | (125,793) | (107,410) |
| | 3,634,981 | 4,396,908 |
| Bank acceptance notes receivable, carried at amortised cost | 4,775,517 | 6,218,086 |
| Finance company acceptance notes receivable, carried at amortised cost | 15,627 | 87,503 |
| Commercial acceptance notes receivable, carried at amortised cost | 1,800 | 23,721 |
| Bank acceptance notes receivable, carried at FVOCI | 1,288,238 | 1,889,012 |
| | 9,716,163 | 12,615,230 |

(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 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|-----------------|-------------------------------|---|
| Within 1 year | 3,564,831 | 4,209,032 |
| 1 year or above | 70,150 | 187,876 |
| | 3,634,981 | 4,396,908 |

Trade debtors are due within 30 to 180 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)

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15 TRADE AND BILLS RECEIVABLES (CONTINUED)

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

As at 30 June 2024, the Group endorsed the undue bank acceptance notes receivable of RMB4,239,623,000 (2023: RMB8,160,955,000) 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 2024, the maximum exposure to loss from its continuous involvement represents the amounts of bank acceptance notes receivable of RMB4,239,623,000 (2023: RMB8,160,955,000), 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 2024, undue bills receivable of RMB653,252,000 (2023: RMB1,392,732,000) 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 2024, undue bills receivable of RMB484,451,000 (2023: RMB567,081,000) 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 RMB1,288,238,000 (2023: RMB1,889,012,000) as bank acceptance notes receivable carried at FVOCI.

10. Financial Accounting Report (Unaudited)

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16 PREPAYMENTS AND OTHER RECEIVABLES

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|--|--|---|
| Purchase prepayments | 1,330,264 | 2,337,230 |
| Current portion of loans and receivables (note 11) | 501,980 | 507,880 |
| Value-added tax recoverable and other tax prepayment | 1,308,134 | 1,270,062 |
| Other receivables | 3,537,193 | 3,037,578 |
| | 6,677,571 | 7,152,750 |

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

17 CASH AND CASH EQUIVALENTS

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|---|--|---|
| Cash at bank and on hand | 13,857,435 | 11,540,485 |
| Other cash and cash equivalents | 1,071 | 31,531 |
| Cash and cash equivalents in the consolidated statement of financial position and cash flow statement | 13,858,506 | 11,572,016 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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18 TRADE AND BILLS PAYABLES

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|----------------|-------------------------------|---|
| Trade payables | 5,368,809 | 6,059,405 |
| Bills payables | 254,834 | 269,939 |
| | 5,623,643 | 6,329,344 |

Included in trade and bills payables are trade creditors with the following ageing analysis based on invoice date at the end of reporting period:

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|---------------------------|-------------------------------|---|
| Within 1 year (inclusive) | 5,623,643 | 6,329,344 |
| | 5,623,643 | 6,329,344 |

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

19 BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings are as follows:

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|--|-------------------------------|-----------------------------------|
| Current bank loans and other borrowings | | |
| Bank loans | | |
| – unsecured | 8,431,473 | 6,610,287 |
| – secured | 25,533 | 78,258 |
| – bills discounted | 477,646 | 561,419 |
| | 8,934,652 | 7,249,964 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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19 BANK LOANS AND OTHER BORROWINGS (CONTINUED)

Details of bank loans and other borrowings are as follows: (continued)

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|--|-------------------------------|-----------------------------------|
| Non-current bank loans and other borrowings | | |
| Bank loans | | |
| – unsecured | 12,553,281 | 15,123,823 |
| – secured | 315,975 | 488,114 |
| | 12,869,256 | 15,611,937 |

At 30 June 2024 and 31 December 2023, the bank loans and other borrowings were repayable as follows:

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|----------------------------------|-------------------------------|-----------------------------------|
| Within 1 year or on demand | 8,934,652 | 7,249,964 |
| After 1 year but within 2 years | 2,706,248 | 3,040,107 |
| After 2 years but within 5 years | 6,847,835 | 10,459,630 |
| After 5 years | 3,315,173 | 2,112,200 |
| Total non-current bank loans | 12,869,256 | 15,611,937 |
| | 21,803,908 | 22,861,901 |

20 CORPORATE BONDS

On April 25, 2024, the Company publicly issued the second issue of medium-term notes of Anhui Conch Cement Co., Ltd. in 2024 in the national inter-bank bond market. The product is referred to as “24 Conch Cement MTN002 (Green)”. The amount of issuance is RMB1.5 billion, the term is 3 years, and the coupon rate is 2.2%; On April 26, 2024, Anhui Conch Cement Co., Ltd. publicly issued the first phase of medium-term notes in 2024 in the national inter-bank bond market, the product is referred to as “24 Conch Cement MTN001 (Green)”, the issuance amount is RMB1.5 billion, the term is 3 years, and the coupon rate is 2.2%.

10. Financial Accounting Report (Unaudited)

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21 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 | |
|--|--------------------------|-----------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Final dividend in respect of the previous financial year, approved and paid during the following interim period, of RMB0.96 per share (six months ended 30 June 2023: RMB1.48 per share) | 5,065,978 | 7,842,968 |

The board of directors does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: 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 equity 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 the adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is calculated as bank loans and other borrowings plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital represents total equity attributable to equity shareholders of the Company, less unaccrued proposed dividends.

During 2024, the Group's strategy, which was unchanged from 2023, 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)

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21 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 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|---|------|-------------------------------|---|
| Current liabilities: | | | |
| Bank loans | 19 | 8,934,652 | 7,249,964 |
| Lease liabilities | | 29,671 | 35,389 |
| Corporate bonds | 20 | 11,545 | – |
| Current portion of long-term payables | | 61,346 | 61,845 |
| Non-current liabilities: | | | |
| Bank loans | 19 | 12,869,256 | 15,611,937 |
| Lease liabilities | | 217,655 | 198,018 |
| Long-term payables | | 233,008 | 264,038 |
| Corporate bonds | 20 | 3,000,000 | – |
| Total debt | | 25,357,133 | 23,421,191 |
| Add: Proposed dividends | | – | 5,065,978 |
| Less: Cash and cash equivalents | 17 | (13,858,506) | (11,572,016) |
| Adjusted net debt | | 11,498,627 | 16,915,153 |
| Total equity attributable to equity shareholders | | | |
| of the Company | | 183,503,672 | 185,337,581 |
| Less: Proposed dividends | | – | (5,065,978) |
| Adjusted capital | | 183,503,672 | 180,271,603 |
| Adjusted net debt-to-capital ratio | | 6.27% | 9.38% |

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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22 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: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs are unobservable inputs for the asset or liability

(ii) Fair value hierarchy

| | Fair value measurements 30 June 2024 categorised into | | | |
|---|--|---|--|---|
| | Fair value at 30 June 2024 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 |
| Recurring fair value measurement | | | | |
| Financial assets: | | | | |
| Financial assets measured at FVPL: | | | | |
| – Wealth management product issued by bank | 1,051,424 | - | 1,051,424 | - |
| – Listed equity securities | 618,534 | 618,534 | - | - |
| Financial assets measured at FVOCI: | | | | |
| – Listed equity securities | 1,398,557 | 1,398,557 | - | - |
| – Unlisted equity securities | 71,776 | - | - | 71,776 |
| – Bank acceptance notes | 1,288,238 | - | 1,288,238 | - |
| Non-Recurring fair value measurement | | | | |
| – Assets held for sale | 38,386 | - | 38,386 | - |
| | 4,466,915 | 2,017,091 | 2,378,048 | 71,776 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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22 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 2023 using | | | |
|---|---|---|--|---|
| | Fair value at 31 December 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 |
| Recurring fair value measurement | | | | |
| Financial assets: | | | | |
| Financial assets measured at FVPL: | | | | |
| - Structured deposits | 245,000 | - | 245,000 | - |
| - Wealth management product issued by bank | 1,039,885 | - | 1,039,885 | - |
| - Listed equity securities | 925,848 | 925,848 | - | - |
| Financial assets measured at FVOCI: | | | | |
| - Listed equity securities | 1,276,235 | 1,276,235 | - | - |
| - Unlisted equity securities | 71,776 | - | - | 71,776 |
| - Bank acceptance notes | 1,889,012 | - | 1,889,012 | - |
| Non-Recurring fair value measurement | | | | |
| - Assets held for sale | 23,538 | - | 23,538 | - |
| | 5,471,294 | 2,202,083 | 3,197,435 | 71,776 |

During the years ended 30 June 2024 and 31 December 2023, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

10. Financial Accounting Report (Unaudited)

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22 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 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 balance sheet date.

For assets held for sale, that are measured at FVPL, the fair value is sales determined by reference to the selling price on market and sales order agreed with an independent third party.

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 2024 and 31 December 2023.

23 COMMITMENTS

Capital commitments outstanding at 30 June 2024 not provided for in the interim financial report.

| | At 30 June 2024 RMB'000 | At 31 December 2023 RMB'000 |
|-----------------------------------|-------------------------------|-----------------------------------|
| Contracted for | 9,976,290 | 11,795,057 |
| Authorised but not contracted for | 6,569,580 | 6,592,351 |
| | 16,545,870 | 18,387,408 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

24 MATERIAL RELATED PARTY TRANSACTIONS

(a) Related parties information

| 關聯方名稱 | 與本集團關係 |
|---|--|
| 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 Environmental Protection New Materials Co., Ltd. and its subsidiaries ("Conch Energy Saving 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 | Subsidiary of Conch Holdings |
| Anhui Conch Construction Materials Design Centre 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 |
| 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 New Materials and Technology Co., Ltd. and its subsidiaries ("Conch New Materials") 安徽海螺材料科技股份有限公司及其附屬公司 | Subsidiary of Conch Holdings |
| Anhui International Trade Group Holding Co., Ltd. and its subsidiaries ("Anhui International Trade and its subsidiaries") 安徽國貿集團控股有限公司及其附屬公司 | Subsidiary of Conch Holdings |
| Anhui Conch Science and Technology Innovation Materials Co., Ltd. and its subsidiaries ("Conch Innovation Materials and its subsidiaries") 安徽海螺科創材料有限責任公司及其附屬公司 | Subsidiary of Conch Holdings |
| Three Carbon (Anhui) Science and Technology Research Institute Co., Ltd 三碳(安徽)科技研究院有限公司 | Subsidiary of Conch Holdings |
| Electric Conch Clean Energy Co., Ltd. ("Clean Energy") 國家電投安徽海螺清潔能源有限公司及其附屬公司 | Joint venture of the Company |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

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24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

| 關聯方名稱 | 與本集團關係 |
|--|-----------------------------------|
| 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 |
| Anhui Conch Kawasaki Engineering Co., Ltd. and its subsidiaries ("CK Engineering and its subsidiaries") 安徽海螺川崎工程有限公司及其附屬公司 | Subsidiary of China Conch Venture |
| Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd. ("CK Equipment") 安徽海螺川崎節能設備製造有限公司 | Subsidiary of China Conch Venture |
| Yangzhou Haichang Port Industrial Co., Ltd. ("HC Port") 揚州海昌港務實業有限責任公司 | Subsidiary of China Conch Venture |
| Anhui 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 Environmental Protection Group Co., Ltd. and its subsidiaries ("Anhui Conch Venture Green Energy and its subsidiaries") 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 |
| 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 |
| Myanmar Conch Cement Company Limited ("Myanmar Conch") 緬甸海螺水泥有限公司 | Joint venture of the Company |
| Jiande Haicheng New Materials Co., Ltd. 建德海誠新型材料有限公司 | Joint venture of the Company |
| Huaibei Xiangshan Cement Company Limited ("Xiangshan Cement") 淮北相山水泥有限責任公司及其附屬公司 | Joint venture of the Company |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

24 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Related parties information (continued)

| 關聯方名稱 | 與本集團關係 |
|---|--|
| 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 |
| 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 |
| 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 |
| Jiande Chengli Construction Materials Co.,Ltd. 浙江成濤建築材料有限公司(前稱建德市成利建材有限公司)(i) | Under the trust of the Group |
| Note (i) | On January 10, 2023, Chengli Building Materials was entrusted with the operation and management of cement production projects and ceased to be a related party of the Group. |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

24 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 | |
|--|--------------------------|---------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Receiving services and purchase of goods | 27,020 | 24,772 |
| Provision of services and sales of goods | 2,440 | 5,598 |

(ii) Transactions with other related parties

| | Six months ended 30 June | |
|---|--------------------------|-----------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Sales of goods | 193,469 | 229,046 |
| Provision of services | 73,783 | 77,962 |
| Purchase of property, plant and equipment | 358,431 | 636,048 |
| Purchase of raw materials | 653,524 | 1,216,096 |
| Interest expense on lease liabilities | – | 14 |
| Receiving services | 225,299 | 264,666 |
| Interest income on loans | – | 68 |

As at 30 June 2024, no bank loans amounting were guaranteed by Conch Investment, the subsidiary of substantial shareholder of the Company (2023: Nil).

(iii) Loan guarantees provided to other related parties

| | At 30 June | At 31 December |
|--------------|------------|----------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Papua Cement | 880,361 | 875,786 |
| | 880,361 | 875,786 |

10. Financial Accounting Report (Unaudited)

Notes to the unaudited interim financial report

(Expressed in Renminbi Yuan unless otherwise indicated)

24 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 | |
|------------------------------|--------------------------|--------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Short-term employee benefits | 2,855 | 2,972 |
| Post-employment benefits | 301 | 285 |
| | 3,156 | 3,257 |

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 |
|---|----------------|-----------------------------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 (restated) (Note 3) |
| Papua Cement | 95,631 | 47,941 |
| Conch Kawasaki Equipment | 153,292 | 130,340 |
| Conch Design Institute | 21,551 | 58,642 |
| CK Equipment | 17,814 | 14,650 |
| Myanmar Conch | 40,715 | 57,420 |
| Anhui Conch Venture Green Energy and its subsidiaries | 61,320 | 45,614 |
| CK Engineering and its subsidiaries | 76,147 | 54,951 |
| Xiangshan Cement | 2,086 | 23,228 |
| PT Eternal Richway | 45,026 | 44,218 |
| Other related parties | 35,890 | 28,866 |
| | 549,472 | 505,870 |

10. Financial Accounting Report (Unaudited)

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(Expressed in Renminbi Yuan unless otherwise indicated)

24 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 2024 (Note i) RMB'000 | At 31 December 2023 (Note i) RMB'000 |
|----------------|---|---|
| WH Conch Hotel | – | 246 |
| HC Port | 1,225 | 1,634 |
| | 1,225 | 1,880 |

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 2024 RMB'000 | At 31 December 2023 RMB'000 (restated) (Note 3) |
|-------------------------------------|-------------------------------|---|
| Conch Kawasaki Equipment | 143,321 | 189,340 |
| CK Equipment | 35,826 | 37,257 |
| Papua Cement | 1,552 | 9,267 |
| CK Engineering and its subsidiaries | 71,462 | 53,553 |
| Conch Design Institute | 142,581 | 93,760 |
| Other related parties | 621,756 | 624,465 |
| | 1,016,498 | 1,007,642 |

10. Financial Accounting Report (Unaudited)

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25 CONTINGENT LIABILITIES

At 30 June 2024, outstanding balance of letters of credit issued by the Group amounted to RMB622,384,000 (31 December 2023: RMB654,525,000). At 30 June 2024, the Group provided guarantees in relation to banking facilities to its related party, Papua Cement amounting to USD123,326,875, equivalent to RMB880,361,000 (31 December 2023: USD123,326,875, equivalent to RMB875,786,000). These facilities were utilised to the extent of RMB880,361,000 as at 30 June 2024 (31 December 2023: RMB875,786,000).

26 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

Conch Environmental Protection, a subsidiary of the Group, has obtained the registration and approval of the China Association of Interbank Market Traders (Zhong Shi Xie Zhu [2024] GN13), and issued green debt financing instruments with a total amount of no more than 3 billion yuan, with a validity period of two years from 25 July 2024. On 5 August 2024, Conch Environmental Protection issued the first issue of green medium-term notes of RMB1.5 billion in 2024.