

## Conch Cement's 2023 Net Profit Reached RMB10.689 billion Recommends a Final Dividend of RMB0.96

20 March 2024 - Anhui Conch Cement Company Limited ("Conch Cement" or the "Company", together with its subsidiaries as the "Group", stock code: 00914) reported its revenue for the year ended 31 December 2023 (the "Year") prepared according to International Financial Reporting Standards ("IFRSs") amounted to approximately RMB140,999 million, net profit attributable to equity shareholders of the Company amounted to approximately RMB10,689 million, earnings per share amounted to RMB2.02. The board of directors of the Company recommended the payment of a final dividend of RMB0.96 per share (tax inclusive) for the year ended 2023.

In 2023, the Group actively responded to the complex and difficult industry situation, strived to overcome the impact of unfavourable factors such as the intensified industry downturn and insufficient effective market demand. Focusing on operational objectives, the Group implemented precise strategies according to the then prevailing situation to stabilise the market share of its products. Based on the principle of "direct supply-oriented, multiple and complementary, and stability and efficiency", the Group enhanced cost control level by ways such as consolidating strategic cooperation, expanding direct supply resources, accelerating the use of alternative fuels, and strictly controlling consumption indicators. The Group also coordinated green development and innovative research and development, pushed forward energy-saving and consumption-reduction technological improvements in an orderly manner, accelerated the transformation and application of the results of intelligent construction, and continued to promote high-quality development.

The Group's sales volume of self-produced cement and clinker products amounted to 285 million tonnes, representing a year-on-year increase of 0.72%. With the continuous improvement of sales market network for overseas projects, overseas project companies recorded year-on-year increases of 13.91% and 17.75% in sales volume and sales amount respectively.

During the Year, the Group actively promoted the construction and development of projects, and continued to strengthen and optimize its core cement business and actively extended the industrial chain. As for core cement business, the low-carbon volume reduction project of Shuicheng Conch Panjiang Cement Co., Ltd. in Guizhou, the second phase project of Guangdong Qingxin Cement Co., Ltd. and the project of Tashkent Cement Conch Joint Venture Co., Ltd. in Uzbekistan were successfully completed and put into operation, and the construction of cement and clinker production line projects of Conch KT Cement (Phnom Penh) Company Limited in Cambodia and Shangfeng Bridge of Friendship Co., Ltd. in Uzbekistan were progressing in an orderly manner. As for the extension of industry chain, 12 aggregate projects including Wuhu Conch Green Construction Technology Co., Ltd. and Shuangfeng Conch Green Construction Co., Ltd. were put in operation smoothly, and 14 operating commodity concrete projects were newly added through new

construction, merger and acquisitions, and leasing in a proactive manner.

As at the end of the Year, the Group's production capacity of clinker, cement, aggregates and commodity concrete amounted to 272 million tonnes, 395 million tonnes, 149 million tonnes and 39.80 million cubic meters respectively, and the capacity of photovoltaic power generation and power storage in operation amounted to 542 MW.

In 2024, the Group plans to achieve the annual net sales volume of cement and clinker (excluding trading volume) of 299 million tonnes, while the cost per tonne of products and the expense per tonne of products are expected to remain relatively stable.

Conch Cement's management stated: "The year 2024 is a critical year for the implementation of the 14th Five-Year Plan. Adhering to the main theme of "making progress while maintaining stability", the central government will carry through the new development concept in a complete, accurate and comprehensive manner by accelerating the formation of a new development pattern. The government will strengthen the adjustments of macro policy, intensify efforts to implement fiscal policies, strengthen the innovation and coordination of policy tools, enhance economic vitality to mitigate risks, so as to consolidate and strengthen the upward trend of economic recovery and to drive the economy to achieve improvement in quality and quantity. The State will actively expand effective investments, expand the scope of special bond by local government as capital, promote the construction of infrastructure projects and new types of infrastructure. In addition, RMB1 trillion of additional treasury bonds in 2023 has been issued. It is expected that infrastructure construction will remain an important support for cement demand. The State will proactively and steadily resolve risks in relation to real estate, and support the reasonable financing needs of the industry and project development and construction. It will help facilitate stability of the real estate industry. The policy system of the national "dual carbon" strategy policy continues to improve, and the policy of promoting ultra-low emission in the cement industry has been formally put into practice. Staggered production in the cement industry will continue to be normalized, which is conducive to resolving the excess production capacity and accelerating the elimination of outdated production capacity. However, with insufficient demand, regular measures play a limited role in improving the supply and demand relationship. It is expected that the mismatch between supply and demand in the industry will remain severe."

In terms of investment development, Conch Cement will continue to strengthen its core cement business and upstream and downstream industrial chains, and cultivate drivers for high quality development. The Group will seize market opportunity and proactively look for high-quality merger and acquisition targets to further improve the layout of the cement market and production capacity and to enhance its competitiveness and control in the market. It will make every effort to promote the growth in scale and capacity utilization of the aggregate business, and unswervingly promote the layout of the commodity concrete business to create new profit growth points. It will promote the

integrated and synergistic development of wind, solar and water storage and other multi-energy-resources and power sources, grid, load and storage, and increase the quality and efficiency of the digital industry. The Group will steadily push forward its overseas development, ensure that the projects under construction will be put into production as scheduled, as well as enhance the quality of overseas project operation.

In 2024, it is planned that the Group's capital expenditure will amount to RMB15,200 million, using mainly from its own funds, which will be primarily used for project construction, technological improvements on energy conservation and environmental protection, and merger and acquisition project. It is estimated that the Group will increase annual production capacity of clinker, cement, aggregates and commodity concrete by 3.90 million tonnes, 8.40 million tonnes, 25.50 million tonnes and 7.20 million cubic meters, respectively.

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### **About Conch Cement**

Anhui Conch Cement Company Limited became listed on The Stock Exchange of Hong Kong Limited on 21 October 1997. The Group is principally engaged in the development, production and sale of middle- and high-grade cement and clinker. Conch Cement is one of the largest cement producers in the PRC and a major supplier of high-grade cement along the river and coastal areas in the eastern and central regions, as well as the southern and western regions of the PRC. The "Conch" trademark was the first in the PRC cement industry to be named as "Famous Brand Name in China".

Media Enquiries:

Zoe Mak

Tel: 2801 6090

Email: [zoe@corporatelink.com.hk](mailto:zoe@corporatelink.com.hk)

**(Attached is Anhui Conch Cement Company Limited's audited consolidated statement of profit or loss for the year ended 31 December 2023)**

**Anhui Conch Cement Company Limited**  
**Audited Consolidated Statement of Profit or Loss**  
**For the year ended 31 December 2023**

(Prepared in accordance with IFRS)

	2023	2022
	RMB'000	RMB'000
<b>Revenue</b>	<b>140,999,428</b>	132,021,554
Cost of sales and services rendered	<u>(118,634,454)</u>	<u>(104,830,600)</u>
<b>Gross profit</b>	<b>22,364,974</b>	27,190,954
Other income	<b>3,165,495</b>	3,625,618
Selling and marketing costs	<b>(3,423,656)</b>	(3,327,494)
Administrative expenses	<b>(5,414,236)</b>	(5,384,459)
Research and development costs	<b>(1,859,553)</b>	(2,011,317)
Impairment loss on trade receivables	<b>(32,476)</b>	(1,568)
Impairment loss on property, plant and equipment	<u>(301,231)</u>	<u>-</u>
<b>Profit from operations</b>	<b>14,499,317</b>	20,091,734
Finance costs	<b>(930,404)</b>	(524,630)
Share of profits of associates	<b>178,789</b>	402,632
Share of profits of joint ventures	<u>122,270</u>	<u>262,376</u>
<b>Profit before taxation</b>	<b>13,869,972</b>	20,232,112
Income tax	<u>(2,851,281)</u>	<u>(3,874,759)</u>
<b>Profit for the year</b>	<u><b>11,018,691</b></u>	<u>16,357,353</u>
<b>Attributable to:</b>		
Equity shareholders of the Company	<b>10,689,181</b>	15,860,553
Non-controlling interests	<u>329,510</u>	<u>496,800</u>
<b>Profit for the year</b>	<u><b>11,018,691</b></u>	<u>16,357,353</u>
<b>Earnings per share</b>		
- Basic	<u><b>RMB2.02</b></u>	<u>RMB2.99</u>
- Diluted	<u><b>RMB2.02</b></u>	<u>RMB2.99</u>