

CONCH CEMENT FIRST HALF NET PROFIT AMOUNTED TO RMB3,486 MILLION, TOTAL NET SALES VOLUME OF CEMENT AND CLINKER REACHED 128 MILLION TONNES

27 August 2024 -- Anhui Conch Cement Company Limited (“Conch Cement” or the “Company”, together with its subsidiaries as the “Group”, stock code: 00914) reported a revenue for the six months ended 30 June 2024 (the “Reporting Period”) prepared in accordance with International Financial Reporting Standards (“IFRSs”) of approximately RMB45,566 million. Profit attributable to equity shareholders of the Company amounted to approximately RMB3,486 million; earnings per share were RMB0.66. The board of directors of Conch Cement does not recommend the payment of an interim dividend for the six months ended 30 June 2024.

In the first half of 2024, in the face of the complex and severe market competitive environment, Conch Cement adhered to its goal orientation, strengthened its 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 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.

During the Reporting Period, the total net sales volume of cement and clinker of Conch Cement amounted to 128 million tonnes, representing a period-on-period decrease of 4.94%. Revenue generated from principal activities amounted to RMB34,051 million. Due to the period-on-period decrease in selling prices of products, all regions self-produced products recorded varying degrees of decrease in sales revenue. During the Reporting Period, with the continuous improvement of the overseas sales market of the Group, its sales amount of export and overseas project companies increased by 100.69% and 5.72% period-on-period, respectively.

During the Reporting Period, Conch Cement 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 businesses industrial chain. As for core cement business, the domestic cement grinding projects of Wuhu Conch Cement Co., Ltd. and Mengcheng Conch Building Materials Co., Ltd. were put into production and operation, overseas Andijan project in Uzbekistan was put in production and operation and the construction of Conch

KT Cement (Phnom Penh) Company Limited 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 storage amounted to 545MW.

Conch Cement management stated, "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 for cement of the 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', the real estate market will be recovered to a certain extent. 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, facilitate the exit channels for backward and inefficient production capacity, 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, Conch Cement will conduct in-depth study and judgement on market supply and demand conditions, implement differentiated marketing strategies, give full play to the Company's advantages, consolidate and deepen the collaborative relationships with major customers. 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. 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. The Group will also 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.

In terms of investment development, 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. In addition, the Group will strive for steady progress to expand its 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. At the same time, it will consolidate and extend the upstream and downstream industrial chains, and improve the operation quality and efficiency of aggregate and commodity concrete businesses. The Group will also 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 form the competitiveness of digital industry while empowering the main business to carry out energy saving, emission reduction and consumption reduction transformation. Furthermore, the Group will expand the development of new energy industry, promote the enlargement and strengthening of the environmental protection industry, and build new advantages in green development.

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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”.

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(Attached is Anhui Conch Cement Company Limited's unaudited consolidated statement of profit or loss for the six months ended 30 June 2024)

Anhui Conch Cement Company Limited
Unaudited Consolidated Statement of Profit or Loss
For the six months ended 30 June 2024
(Prepared in accordance with IFRS)

	<i>Six months ended 30 June</i>	
	2024	2023
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
		(Restated)
Revenue	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	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	(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	4,550,438	8,817,744
Income tax	(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		
Basic	RMB0.66	RMB1.27
Diluted	RMB0.66	RMB1.27